

**Ecotricity Group Limited**

**Annual report and consolidated  
financial statements**

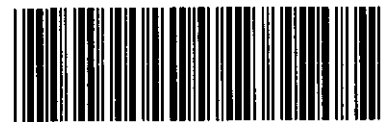
**Registered number 03521776**

**Year ended 30 April 2020**

6211148

Cardiff Wind Park Limited is listed as a  
subsidiary on page 41 with the guarantee  
statement on page 42

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## Company information

<b>Directors</b>	Dale Vince
	Kate Vince
	Simon Crowfort (resigned 10 February 2020)
	Asif Rehmanwala
	Dan Goodall (resigned 18 August 2020)
	Paul Sands
	Emily Staples (resigned 6 June 2019)
	Claire Burden (appointed 1 July 2019 and resigned 21 July 2020)
	Tom Cowling (appointed 9 September 2019)
	Alistair Harrison (appointed 11 November 2020)
	Anita Yandell-Jones (appointed 18 August 2020)
<b>Registered office</b>	Lion House Rowcroft Stroud Gloucestershire GL5 3BY
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants 2 Glass Wharf Bristol BS2 0EL

## Strategic report

The Directors present their strategic report for the year ended 30 April 2020.

### Principal activities

The principal activities of Ecotricity Group Limited (the “Group”) are those of a general commercial company. Ecotricity Group Limited serves as a holding company for the Group.

#### *Group activities*

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

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

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

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

Within Transport our Electric Highway, the national electric vehicle charging network, has continued to grow its membership numbers throughout the year and Forest Green Rovers Football Club, the first certified vegan football club, supports our mission in Food.

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

### Business review

#### Trading

##### *The supply business (Ecotricity Limited)*

2020 has been a year of significant growth in turnover for Ecotricity Limited. During 2020, turnover in Ecotricity Limited grew by 15.0% to £222,313k (2019: £193,340k).

In aggregate, business and domestic customer numbers remained steady year-on-year (2019: grew 1.4%). Maintaining customer numbers has been a success in an extremely price competitive market. This has been achieved by the Supply business remaining true to its values as a ‘deep green’ energy supplier rather than competing on price.

Business customer supplies (gas and electric usage combined) have grown year on year by 31% to 868 GWh (2019: +33% to 660 GWh). This growth was primarily due to increased sales focus on higher consumption business customers, specifically half-hourly metered customers. Business customer numbers also grew by 48% (2019: +19%) in the year. Domestic customer volume (gas and electric combined) remained at 1 GWh in the year.

In addition to customer growth, turnover further benefited from a robust electricity and gas purchasing hedging policy protecting the Group’s performance during periods of extreme weather and the resulting volatility in customer demand.

##### *The Generation and Development business*

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

Wind generation was 24% higher than in FY19 mainly due to overall wind output being significantly higher compared to seasonal norms.

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

During the year, the Directors performed a review of its development assets and they identified indicators of impairment in the Sparsholt green gas project. Accordingly, an impairment of £524k has been recognised in the year ending 30 April 2020. This project has been mothballed and should it be decided to proceed with this project at a later date the impairment would be reversed.

### ***Sustainable subsidiaries***

Building a sustainable future isn't just about changing how energy is made and used, it also includes our lifestyle choices when it comes to Food and Transport. Performance in the Group's sustainable subsidiaries remains steady with progress continuing to be made across the portfolio.

## **Full year results**

The turnover of the Group has shown significant improvement year on year, much more than the small increase in customer numbers and the external factors impacting wind power generation would suggest as described above, rising to £230,014k (2019: £201,424k). The increase is mainly due to strong trading performance in the electricity and supply business and a continued change in customer mix to higher usage business customers.

Despite strong volume growth in the year, gross profit has remained broadly stable £54,343k (2019: £55,782k) due to rising industry costs and change in customer mix to include more lower margin business customers, which has led to a drop in gross margin from 27.7% to 23.6%.

Total pre-tax loss was £3,914k (2019: £4,812k (loss)). 2020 pre-tax loss was positively impacted by the favourable movement in the share price of the Group's listed investment being £1,122k; without this the underlying Group made a £5,020k loss before tax.

Although net current liabilities increased during the year, significantly due to Eco Bond 3 becoming redeemable, the overall financial position of the Group improved with net assets at £64,830k (2019: £54,447k).

Long term liabilities which stood at £77,651k as at the balance sheet date (2019: £98,415k) have declined with repayments being in line with obligations and Eco Bond 3 becoming redeemable.

## **Future developments**

The Directors are pleased to be able to clearly demonstrate a significant improvement of the Group during 2020 compared to 2019 based primarily on strong revenue growth. Additionally the Directors are confident in improvements in the area of strategic focus which will stand the Group in a strong position for the year to come.

Despite the challenges to the wider economy from Covid-19 which energy suppliers continue to face, the Directors believe that 2021 will be a year where business revenue and customer numbers remain stable.

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

## Principal risks and uncertainties

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

### Political and regulatory risk

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

It still remains hard to predict, with certainty, the medium and long term effects on the economy including energy prices and Government approach to renewable energy following the UK leaving the EU in 2020.

### Weather volatility and demand

Variability in relation to the weather directly impacts both customer demand and the energy purchasing strategy. The supply business purchases energy both within the Group from the wider generation portfolio as well as trading on the wholesale market. In the event of low wind generation, this results in having to trade more energy in the wholesale market which could have an adverse effect on financial results.

To mitigate risk associated with weather change, operating a robust hedging model which encompasses accurate forecasting is key. This facilitates the ability to avoid short-term system imbalances and as ensures we are adequately hedged in both the medium and long-term.

### Competition

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

### Financial risks

The Group is exposed to a variety of financial risks including commodity price risk, interest rate risk, credit risk and liquidity risk. The Group monitors energy prices and analyses supply and demand volumes to manage exposure to these risks. The Group's hedging policy results in buying power and gas forward to mitigate future risk. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

### COVID-19

The Group's top priority has been to ensure the safety of colleagues and customers during the pandemic whilst maintaining customer's energy supply. The Group quickly implemented plans to maintain its core services whilst operating within Government restrictions. This involved moving more than 80% of its employees to working from home arrangements, whilst maintaining its customer service provision.


## Post Balance Sheet Events

See note 28 to the financial statements.

Approved by the Board on

28/1/2021

2021 and signed on its behalf by:



A Rehmanwala

Lion House  
Rowcroft  
Stroud  
Gloucestershire  
GL5 3BY

## Sustainability Report

### Scope

The Group has been providing its carbon and energy consumption data on the Group's website since 2010, as part of its Environmental Management System which is certified to ISO14001:2015. The scope of the data below includes emissions generated through all activities of the Group across all of its owned sites during FY20. All sites are UK based and the emissions relate to:

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

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

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

### Emissions

During 2019/20 Group operations consumed 1,780,259 kWh of grid electricity and 261,990 kWh of natural gas. In addition, the Group also generated and consumed 63,032 kWh of electricity from solar PV installed at Forest Green Rovers stadium and at Unicorn House in Stroud.

			2019/20 Emissions (Tonnes CO <sub>2</sub> ) Location based emissions factors	2019/20 Emissions (Tonnes CO <sub>2</sub> ) Market based emissions factors
Scope 1	Natural Gas	261,990 kWh	48.17	5.18
	Pool Car Fuel	72,650 Litres Diesel	188.46	188.46
	Escape (fugitive) emissions from cooling equipment	0 Kg	0	0
Scope 2	Grid Electricity	1,780,259 kWh	455.05	0
Scope 3	Transport (grey fleet)	62,255 Miles	17.09	17.09
	Transport (air travel)	15,210 km	2.40	2.40
	Transport (FGR Team Coach)	311,132 passenger km	8.65	8.65
	Water	9,811 m <sup>3</sup>	10.36	10.36
<b>Total Gross CO<sub>2</sub> Emissions</b>	<b>Tonnes CO<sub>2</sub></b>		<b>730.21</b>	<b>232.14</b>
<b>Intensity Ratio</b>	<b>Emissions per £m Revenue</b>		<b>3.17</b>	<b>1.00</b>

### Methodology

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

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

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

Escape emissions from cooling systems are taken from annual service records as reported internally via the Group's Environmental Management System.

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

**Carbon Reduction Initiatives**

This year has seen the Group certified to ISO14001:2015 for the first time, prior to this the Group's Environmental Management System was certified to EMAS (Eco-Management & Audit Scheme). As part of this implementation extensive reviews of utility consumption across the Group has led to an optimising of energy consumption to match the occupation of buildings. This has led to significant savings across the sites covered by the EMS, seeing a reduction of 9% in electricity use and a drop of 39% in gas use compared to the 2018 baseline figure. In addition, a number of issues have been identified with the water supply which have now been resolved.

It is recognised that transport related emissions form a significant contribution to climate change. This year the Group has introduced a detailed transport policy to provide employees with guidance on travel for business purposes and have also removed all diesel-powered cars from the pool car fleet. The Group now only operates battery and hybrid powered pool cars although service vans are still diesel powered.

**Omissions**

This report does not include energy related emissions from our rented office in Bristol where gas and electricity are shared utilities with other tenants. The lease for the rented office was terminated after the year end.



## Directors' report

The Directors present the Directors' Report and financial statements for the year ended 30 April 2020.

### Directors

The Directors who held office on the Board of Ecotricity Group Limited during the year and up to the date of this report were as follows:

Dale Vince  
Kate Vince  
Simon Crowfoot (resigned 10 February 2020)  
Asif Rehmanwala  
Dan Goodall (resigned 18 August 2020)  
Paul Sands  
Emily Staples (resigned 6 June 2019)  
Claire Burden (appointed 1 July 2019 and resigned 21 July 2020)  
Tom Cowling (appointed 9 September 2019)  
Alistair Harrison (appointed 11 November 2020)  
Anita Yandell-Jones (appointed 18 August 2020)

### Employees

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

### Political and charitable contributions

The Group made charitable donations of £20,000 (2019: £231,000) in the year. £Nil (2019: £194,000) was made to the Green Britain Foundation and £Nil (2019: £7,000) was made to Sustainability in Sport Foundation, charities and companies of which one of the Directors is also a director.

The Group made political donations of £106,000 (2019: £10,000) in the year.

### Directors' liabilities

The Group has put in place qualifying third party indemnity provisions for all of the Directors of Ecotricity Group Limited.

### Disclosures

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

### Going concern

The Group has net current liabilities of £26,840k, and made a loss before taxation of £3,914k in the year. The Group's working capital is funded via a facility with HSBC with a renewal date of 30<sup>th</sup> June 2021, and £47,125k of bonds, all tranches will be due by December 2021 if called upon (see note 18). Nevertheless, the Group has a net asset position of £64,830k.

The Directors have reviewed the cash flow forecasts for the Group. The base case included impacts on the business from the Covid-19 pandemic. Despite this, based on management plans, the Group will generate sufficient cash flows to discharge its liabilities for at least the next 12 months. These are reliant on cash inflows which will come from a combination of shareholder funding and a government backed Coronavirus Large Business Interruption Loan. A

combination of one or more of these sources of funding is expected to be in place in the near future sufficient to mitigate projected funding shortfalls. However, these sources of funding are not yet concluded. As such there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, be able to realise its assets and discharge its liabilities in the normal course of business.

In parallel to the accounts being prepared, the Directors are reviewing the Group's cash flow forecast to reflect a longer national lockdown and further deterioration in the economy than originally forecast. This forecast is not yet completed and signed off by the Directors, but initial indications show further uncertainty caused by the pandemic being longer lasting. Principle risks being the volatility in the purchase price of energy, and customers' debt not being realised as cash.

Notwithstanding the material uncertainty, the Directors have a reasonable expectation that the Group will continue in operation and meet its commitments during the going concern period by concluding soon on additional funding. Alongside this, management is undertaking a strategic review of its business lines and reviewing projections for cost reductions, reduced capital investment and a focus on working capital efficiency to support the Group's position during this difficult period. However, at this point, these plans are not yet ready and, therefore, have not been factored into the base case cash flow forecast or any sensitivities.

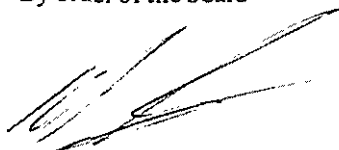
### Disclosure of information to auditor

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

### Auditor

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

By order of the board



**A Rehmanwala**

*Director*

Lion House  
Rowcroft  
Stroud  
Gloucestershire  
GL5 3BY

28/1/2021

2021

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

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

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

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

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

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

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

### Opinion

We have audited the financial statements of Ecotricity Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2020 which comprise the consolidated profit and loss account, consolidated statement of other comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2020 and of the group's 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. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for group's associated with a course of action such as Brexit.

### Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the group incurred a net loss before taxation of £3,914,000 during the year ended 30 April 2020 and, as of that date, the group's net current liabilities of 26,840,000. As stated in note 1.2, the base case cash flow forecast includes sources of funding expected to be in place in the near future sufficient to mitigate projected funding shortfalls, however these sources of funding are not yet concluded. These events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

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

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

28/1/2021

2021

**Consolidated Profit and Loss Account**  
*for the year ended 30 April 2020*

	<i>Note</i>	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
<b>Turnover</b>	<b>2</b>	230,014	201,424
Cost of sales		(175,671)	(145,642)
<b>Gross profit</b>		54,343	55,782
Administrative expenses		(56,500)	(58,117)
Other operating income	<b>3</b>	3,281	3,622
Profit/(loss) on sale of fixed assets		75	(45)
<b>Trading profit</b>		1,199	1,242
Change in fair value of strategic investment		1,122	530
<b>Operating profit</b>	<b>4</b>	2,321	1,772
Interest receivable and similar income	<b>7</b>	29	47
Interest payable and similar charges	<b>8</b>	(6,264)	(6,631)
<b>Loss on ordinary activities before taxation</b>		(3,914)	(4,812)
Tax charge on profit on ordinary activities	<b>9</b>	(1,404)	(142)
<b>Loss for the financial year</b>		(5,318)	(4,954)
<i>Loss attributable to:</i>			
Shareholders of the parent company		(4,748)	(3,822)
Non-controlling interests		(570)	(1,132)
<b>Total loss for the year</b>		(5,318)	(4,954)

The notes on pages 23 to 53 form part of the financial statements.

**Consolidated Statement of Other Comprehensive Income**  
*for the year ended 30 April 2020*

	<i>Note</i>	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
<b>Loss for the year</b>		(5,318)	(4,954)
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets	<i>11</i>	19,658	399
Deferred tax on other comprehensive income	<i>9</i>	(3,957)	91
<b>Other comprehensive income/(loss) for the year, net of income tax</b>		<u>15,701</u>	<u>(4,464)</u>
<b>Total comprehensive profit/(loss) for the year</b>		<u><u>10,383</u></u>	<u><u>(4,464)</u></u>
<i>Total comprehensive income attributable to:</i>			
Shareholders of the parent company		10,953	(3,332)
Non-controlling interests		(570)	(1,132)
		<u><u>10,383</u></u>	<u><u>(4,464)</u></u>

The notes on pages 23 to 53 form part of the financial statements.



## Consolidated Balance Sheet at 30 April 2020

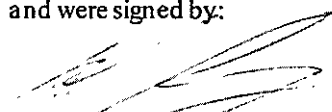
	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Negative goodwill	10	(1,839)	(1,953)
Other intangible assets	10	9,388	3,782
		<hr/>	<hr/>
Tangible assets	11	7,549	1,829
Other investments	12	173,329	161,112
		<hr/>	<hr/>
		7,203	6,081
		<hr/>	<hr/>
		188,081	169,022
<b>Current assets</b>			
Stock	13	1,293	1,496
Debtors	14	76,959	62,378
Cash at bank and in hand	15	17,524	15,152
		<hr/>	<hr/>
		95,776	79,026
<b>Creditors: amounts falling due within one year</b>	16	(122,616)	(81,771)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(26,840)	(2,745)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		161,241	166,277
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	17	(77,651)	(98,415)
Deferred tax liability	20	(18,760)	(13,415)
		<hr/>	<hr/>
<b>Net assets</b>		64,830	54,447
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	21	-	-
Revaluation reserve		64,100	51,704
Profit and loss account		3,379	4,822
		<hr/>	<hr/>
<b>Equity attributable to the parent's shareholders</b>		67,479	56,526
		<hr/>	<hr/>
<b>Non-controlling interests</b>		(2,649)	(2,079)
		<hr/>	<hr/>
<b>Shareholders' funds</b>		64,830	54,447
		<hr/>	<hr/>

The notes on pages 23 to 53 form part of the financial statements.

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

28/1/2021

2021



**A Rehmanwala**  
Director

Company registered number: 03521776

**Company Balance Sheet**  
*at 30 April 2020*

	<i>Note</i>	2020	2019
		£'000	£'000
<b>Fixed assets</b>			
Intangible assets	10	6,727	813
Tangible assets	11	16,864	18,529
Investments	12	19,414	18,293
		<hr/>	<hr/>
		43,005	37,635
<b>Current assets</b>			
Debtors	14	35,460	49,775
Cash at bank and in hand	15	524	409
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	16	35,984 (93,271)	50,184 (103,488)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(57,287)	(53,304)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		(14,282)	(15,669)
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	17	(3,741)	(818)
		<hr/>	<hr/>
<b>Net liabilities</b>		(18,023)	(16,487)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	21	-	-
Profit and loss account		(18,023)	(16,487)
		<hr/>	<hr/>
<b>Shareholders' deficit</b>		(18,023)	(16,487)
		<hr/>	<hr/>


The financial statements consolidate the accounts of Ecotricity Group Ltd and all of its subsidiary undertakings ('subsidiaries'). Intra-group sales and profits are eliminated fully on consolidation. No individual profit and loss account is prepared for Ecotricity Group Ltd as provided by Section 408 of the Companies Act 2006, the loss for the Company was £1,536,000.

The notes on pages 23 to 53 form part of the financial statements.

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

28/1/2021

2021



**A Rehmanwala**  
*Director*

Company registered number: 03521776

### Consolidated Statement of Changes in Equity

	Called up Share capital	Revaluation reserve	Profit and loss account	Total share- holders' equity	Non- controlli ng interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 May 2018	-	54,538	5,328	59,866	(955)	58,911
<b>Total comprehensive income for the year</b>						
Loss for the year	-	-	(3,822)	(3,822)	(1,132)	(4,954)
Other comprehensive income	-	490	-	490	-	490
<b>Total comprehensive income for the year</b>	-	490	(3,882)	(3,841)	(1,132)	(4,464)
<b>Transactions with owners, recorded directly in equity:</b>						
Acquisition of non-controlling interests	-	-	(8)	(8)	8	-
Transfer from revaluation reserve	-	(3,324)	3,324	-	-	-
<b>Total contributions by and distributions to owners</b>	-	(3,324)	3,316	(8)	8	-
Balance at 30 April 2019	-	51,704	4,822	56,526	(2,079)	54,447

The notes on pages 23 to 53 form part of the financial statements.

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

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

The notes on pages 23 to 53 form part of the financial statements.

## Company Statement of Changes in Equity

	Called up share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 May 2018	-	-	(7,706)	(7,706)
<b>Total comprehensive income for the year</b>				
Loss	-	-	(8,781)	(8,781)
	<u>-</u>	<u>-</u>	<u>(8,781)</u>	<u>(8,781)</u>
Total comprehensive income for the year	-	-	(8,781)	(8,781)
	<u>-</u>	<u>-</u>	<u>(8,781)</u>	<u>(8,781)</u>
<b>Balance at 30 April 2019</b>	-	-	<b>(16,487)</b>	<b>(16,487)</b>
	<u>-</u>	<u>-</u>	<u>(16,487)</u>	<u>(16,487)</u>
Balance at 1 May 2019	-	-	(16,487)	(16,487)
<b>Total comprehensive income for the year</b>				
Loss	-	-	(1,536)	(1,536)
	<u>-</u>	<u>-</u>	<u>(1,536)</u>	<u>(1,536)</u>
Total comprehensive income for the year	-	-	(1,536)	(1,536)
	<u>-</u>	<u>-</u>	<u>(1,536)</u>	<u>(1,536)</u>
<b>Balance at 30 April 2020</b>	-	-	<b>(18,023)</b>	<b>(18,023)</b>
	<u>-</u>	<u>-</u>	<u>(18,023)</u>	<u>(18,023)</u>

The notes on pages 23 to 53 form part of the financial statements.

## Consolidated Cash Flow Statement for the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Loss for the year		(5,318)	(4,954)
Adjustments for:			
Depreciation, amortisation and impairment		10,942	13,025
Interest receivable and similar income	7	(29)	(47)
Interest payable and similar charges	8	6,264	6,631
(Gain)/loss on sale of tangible fixed assets		(363)	175
Gain on sale of intangible fixed assets		(193)	-
Change in fair value of investments		(1,122)	(530)
Taxation		1,404	(260)
Stock write off		-	-
Change in provisions		164	859
Amortisation of bonds		287	111
		<hr/> 12,036	<hr/> 15,010
(Increase) / decrease in trade and other debtors		(15,435)	(14,063)
Decrease / (increase) in stocks		203	3
Increase / (decrease) in trade and other creditors		<hr/> 9,923	<hr/> 12,088
		<hr/> 6,727	<hr/> 13,038
Tax credit received		631	-
		<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>		<hr/> 7,340	<hr/> 13,038
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets		794	-
Proceeds from sale of intangible fixed assets		200	-
Proceeds from sale of other investments		-	-
Interest received		29	47
Acquisition of tangible fixed assets		(8,014)	(6,306)
Acquisition of other intangible assets	10	(1,135)	(725)
Acquisition of other investments	12	-	(10)
		<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>		<hr/> (8,126)	<hr/> (6,994)
<b>Cash flows from financing activities</b>			
Proceeds from new loans		5,248	6,100
Interest paid		(6,264)	(6,400)
Repayment of borrowings		(9,159)	(8,254)
Payment of finance lease liabilities		(129)	-
		<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>		<hr/> (10,084)	<hr/> (8,554)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(10,870)	(2,510)
Cash and cash equivalents at 1 May		8,494	11,004
		<hr/>	<hr/>
<b>Cash and cash equivalents at 30 April</b>	15	<hr/> (2,376)	<hr/> 8,494

The notes on pages 23 to 53 form part of the financial statements.

## Consolidated Analysis of Net Debt

	At 1 May 2019 £	Cash flows £	New loans £	New finance leases £	Non-cash changes £	At 30 April 2020 £
<b>Cash and cash equivalents</b>						
Cash	15,152	2,372	-	-	-	17,524
Overdraft	(6,658)	(13,242)	-	-	-	(19,900)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Borrowings</b>						
Debt due within one year	(23,369)	9,508	-	(509)	(26,299)	(40,669)
Debt due more than one year	(98,415)	-	(5,248)	-	26,012	(77,651)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>(113,290)</u>	<u>(1,362)</u>	<u>(5,248)</u>	<u>(509)</u>	<u>(287)</u>	<u>(120,696)</u>

The notes on pages 23 to 53 form part of the financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

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

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

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

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

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

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

#### 1.1 Measurement convention

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

#### 1.2 Going concern

The group has net current liabilities of £26,840k, and made a loss before taxation of £3,914k in the year. The group's working capital is funded via a facility with HSBC with a renewal date of 30<sup>th</sup> June 2021, and £47,125k of bonds, all tranches will be due by December 2021 if called upon (see note 18). Nevertheless, the group has a net asset position of £64,830k.

The Directors have reviewed the cash flow forecasts for the group. The base case included impacts on the business from the Covid-19 pandemic. Despite this, based on management's plans, the group will generate sufficient cash flows to discharge its liabilities for at least the next 12 months. These are reliant on cash inflows which will come from a combination of shareholder funding and a government backed Coronavirus Large Business Interruption Loan. A combination of one or more of these sources of funding is expected to be in place in the near future sufficient to mitigate projected funding shortfalls. However, these sources of funding are not yet concluded. As such there is a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern and, therefore, be able to realise its assets and discharge its liabilities in the normal course of business.

In parallel to the accounts being prepared, the Directors are reviewing the group's cash flow forecast to reflect a longer national lockdown and further deterioration in the economy than originally forecast. This forecast is not yet completed and signed off by the Directors, but initial indications show further uncertainty caused by the pandemic being longer lasting. Principle risks being the volatility in the purchase price of energy, and customers' debt not being realised as cash.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.2 Going concern (continued)

Notwithstanding the material uncertainty, the Directors have a reasonable expectation that the group will continue in operation and meet its commitments during the going concern period by concluding soon on additional funding. Alongside this, management is undertaking a strategic review of its business lines and reviewing projections for cost reductions, reduced capital investment and a focus on working capital efficiency to support the group's position during this difficult period. However, at this point, these plans are not yet ready and, therefore, have not been factored into the base case cash flow forecast or any sensitivities.

#### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 April 2020. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

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

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

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

#### 1.4 Foreign currency

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

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

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

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

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

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Basic financial instruments

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

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

##### *Interest-bearing borrowings classified as basic financial instruments*

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

##### *Investments in ordinary shares*

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

##### *Cash and cash equivalents*

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

#### 1.7 Other financial instruments

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

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

#### 1.8 Tangible fixed assets

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

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

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

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

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.8 Tangible fixed assets (continued)

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

- Freehold buildings 10-50 years
- Plant and machinery 15-24 years (1/4 residual value)
- Fixtures, fittings and equipment 3-20 years
- Motor vehicles 4 years

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

#### Revaluation

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

#### 1.9 Business combinations

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

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

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

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

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

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.10 Intangible assets and goodwill and negative goodwill

##### Goodwill

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

##### Negative goodwill

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

##### Development wind and other projects

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

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

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

##### Other intangible assets

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

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

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

##### Amortisation

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

- Brand name 15 years
- Players registrations over contract length
- Contracts over contract length
- Carbon foot printing 5 years
- Software 10 years

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.10 Intangible assets, goodwill and negative goodwill (continued)

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

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

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

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

#### 1.11 Stocks

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

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

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

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

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

## Notes (continued)

### 1 Accounting policies (continued)

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

##### *Non-financial assets*

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

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

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

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

#### 1.13 Employee benefits

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

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

#### 1.14 Provisions and Accruals

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

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

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.15 Turnover

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

Turnover from the sale of electricity and gas to customers is recognised when earned on the basis of a contractual agreement with the customer. It reflects the value of the volume supplied, including an estimated value of the volume supplied to customers, between the date of their last meter reading and the year end.

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

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

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

#### 1.16 Expenses

##### *Operating lease*

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

##### *Finance lease*

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

##### *Interest receivable and interest payable*

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

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

Interest income and interest payable, including payments on bonds issued by Ecotricity Bonds Plc, are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

##### *Research and Development*

Certain activities within the group relate to Research and Development, expenses are recognised as they are incurred. The Research and Development claim from HMRC was accounted for in the 2019 accounts, relating to 2018 tax returns.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.17 Taxation

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

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

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

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

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

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

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

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



## Notes (continued)

### 2 Turnover

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

	2020 £'000	2019 £'000
Electric and gas supply	221,356	193,939
Electricity generation and related renewable energy credits	2,410	3,061
Football club	3,918	2,767
Other goods and services	2,330	1,657
	<u>230,014</u>	<u>201,424</u>

### 3 Other operating income

	2020 £'000	2019 £'000
Receipt from operational dispute	-	260
FiT administration income	2,762	2,700
R&D claim	-	137
Grants	291	9
Other income	228	516
	<u>3,281</u>	<u>3,622</u>

### 4 Operating profit

Included in profit/loss are the following:

	2020 £'000	2019 £'000
Depreciation of tangible fixed assets	9,886	10,460
Operating lease expenses	787	615
Amortisation of intangible fixed assets	566	295
Impairment of intangible fixed assets	604	2,268
Change in fair value of investment	(1,122)	(530)
Net gain on disposal of tangible fixed assets	(75)	(175)
Net gain on disposal of intangible fixed assets	-	-
	<u></u>	<u></u>

Auditor's remuneration:

	2020 £'000	2019 £'000
Audit of these financial statements	40	15
Amounts receivable by the current auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	200	210
Advisory services for the company	4	-
	<u></u>	<u></u>

## Notes (continued)

### 5 Staff numbers and costs

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

	Number of employees			
	Group 2020	Group 2019	Company 2020	Company 2019
Administration	587	664	123	128
Football club	73	77	-	-
	<u>660</u>	<u>741</u>	<u>123</u>	<u>128</u>

The aggregate payroll costs of these persons were as follows:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Wages and salaries	20,611	23,541	5,647	6,559
Social security costs	2,287	2,101	844	698
Other pension costs	1,131	1,113	387	418
	<u>24,029</u>	<u>26,755</u>	<u>6,878</u>	<u>7,675</u>

### 6 Remuneration of directors

	2020 £'000	2019 £'000
Directors' remuneration	1,354	1,275
Company contributions to money purchase pension plans	45	111
	<u>1,400</u>	<u>1,386</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £242,000 (2019: £220,000), and company pension contributions of £nil (2019: £nil) were made to a money purchase scheme on their behalf.

### 7 Interest receivable and similar income

	2020 £'000	2019 £'000
Bank interest receivable	29	75
	<u>29</u>	<u>75</u>

## 8 Interest payable and similar charges

	2020 £'000	2019 £'000
On bank loans and overdrafts	3,536	3,584
On Eco bonds	2,715	2,738
Other interest payable	13	309
	<u>6,264</u>	<u>6,631</u>

## 9 Taxation

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

	£'000	2020 £'000	£'000	2019 £'000
<i>Current tax</i>				
Current tax on income for the year		-		-
Adjustments in respect of prior periods		16		-
Total current tax		<u>16</u>		<u>-</u>
<i>Deferred tax (see Note 20)</i>				
Origination and reversal of timing differences	3,633		520	
Adjustments in respect of prior periods	62		(870)	
Effect of tax rate change on opening balance	<u>1,650</u>			
Total deferred tax		<u>(5,345)</u>		<u>(350)</u>
Total tax		<u><u>(5,361)</u></u>		<u><u>(350)</u></u>

## Notes (continued)

### 9 Taxation (continued)

	2020			2019		
	£'000	£'000	£'000	£'000	£'000	£'000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	16	1,388	1,404	-	142	142
Recognised in other comprehensive income	-	3,957	3,957	-	(91)	(91)
Recognised directly in equity	-	-	-	-	(401)	(401)
<b>Total tax</b>	<b>16</b>	<b>5,345</b>	<b>5,361</b>	<b>-</b>	<b>(350)</b>	<b>(350)</b>

### Reconciliation of effective tax rate

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Loss for the year	(5,318)	(4,954)
Total tax charge	1,404	142
(Loss) excluding taxation	(3,914)	(4,812)
Tax using the UK corporation tax rate of 19% (2018: 19%)	(744)	(941)
Change in fair value of strategic investment	-	(101)
Fixed asset differences	4,052	462
Expenses not deductible for tax purposes	1,803	2,001
Income not taxable for tax purposes	(1,698)	(1,567)
Adjustments to brought forward values	2	-
Reduction in tax rate on deferred tax balances	1,446	(12)
Current year losses for which no deferred tax asset was recognised	421	665
Adjustments in respect of prior years	79	(870)
Deferred tax charged directly to other comprehensive income	(3,957)	494
Other permanent differences	-	11
<b>Total tax expense/(credit) included in profit or loss</b>	<b>1,404</b>	<b>142</b>

From 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective from 1 April 2018) and to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015. A subsequent rate increase to 19% (effective 1 April 2020) was enacted on 11 March 2020.

## Notes (continued)

### 10 Intangible assets and goodwill

Group	Goodwill	Contracts	Negative goodwill	Development assets	Brand name registration	Players	Software	Carbon Foot-printing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>									
At beginning of year	347	334	(2,298)	5,146	3,330	298	-	25	7,182
Additions	-	-	-	452	-	64	619	-	1,135
Disposals	-	-	-	(2)	-	(201)	-	-	(203)
Transfers from tangible fixed assets	-	-	-	-	-	-	5,762	-	5,762
At end of year	347	334	(2,298)	5,596	3,330	161	6,381	25	13,876
<b>Amortisation</b>									
At beginning of year	347	133	(345)	2,553	2,517	136	-	12	5,353
Charge in year	-	67	(114)	-	222	141	245	5	566
Disposals	-	-	-	-	-	(196)	-	-	(196)
Impairment losses	-	-	-	604	-	-	-	-	604
At end of year	347	200	(459)	3,157	2,739	81	245	17	6,327
<b>Net book value</b>									
At 30 April 2020	-	134	(1,839)	2,439	591	80	6,136	8	7,549
At 30 April 2019	-	201	(1,953)	2,593	813	162	-	13	1,829

Amortisation and impairment charges are recognised as follows in the profit and loss account: £1,170,000 (2019: £2,564,000) in administrative expenses.

Company	Software £'000	Brand name £'000	Total £'000
<b>Cost</b>			
At beginning of year	-	3,330	3,330
Additions	619	-	619
Transfers	5,762	-	5,762
At end of year	6,381	3,330	9,711
<b>Amortisation</b>			
At beginning of year	-	2,517	2,517
Charged in year	244	223	467
At end of year	244	2,740	2,984
<b>Net book value</b>			
At 30 April 2020	6,137	590	6,727
At 30 April 2019	-	813	813

Amortisation and impairment charges are recognised as follows in the profit and loss account: £467,000 (2019: £223,000) in administrative expenses.

## Notes (continued)

### 11 Tangible fixed assets

Group	Freehold land and buildings (Historic Cost)	Freehold land and buildings (Revaluation)	Plant and machinery (Historic cost)	Plant and machinery (Revaluation)	Fixtures, fittings and equipment	Motor vehicles	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>								
At beginning of year	8,646	2,600	19,826	138,283	19,061	1,218	12,132	201,766
Additions	-	-	180	35	731	29	7,548	8,523
Disposals	(497)	-	-	-	(16)	(180)	-	(693)
Transfers between items	-	-	1,192	2,277	-	-	(9,230)	(5,761)
Revaluations	-	-	-	6,143	-	-	-	6,143
At end of year	8,149	2,600	21,198	146,738	19,776	1,067	10,450	209,978
<b>Depreciation</b>								
At beginning of year	2,770	20	4,260	19,579	12,837	1,188	-	40,654
Charge for year	321	245	999	6,161	2,140	20	-	9,886
On disposals	(55)	-	-	-	-	(180)	-	(235)
Transfers between items	-	-	(296)	296	-	-	-	-
Revaluations	-	-	-	(13,656)	-	-	-	(13,656)
At end of year	3,036	265	4,963	12,380	14,977	1,028	-	36,649
<b>Net book value</b>								
At 30 April 2020	5,113	2,335	16,235	134,358	4,799	39	10,450	173,329
At 30 April 2019	5,876	2,580	15,566	118,704	6,224	30	12,132	161,112

Included in the total net book value of freehold land and buildings is £80,000 (2019: £80,000) in respect of land which is not depreciated.

Included in the total net book value of fixtures, fittings and equipment is £353,000 (2019: £43,000) in respect of assets that were held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £119,000 (2019: £53,000).

#### Revaluation

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

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

## Notes (continued)

### 11 Tangible fixed assets (continued)

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

	Freehold buildings		Plant and Machinery	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
At full valuation	2,600	2,600	146,738	138,283
Aggregate depreciation thereon	(265)	(20)	(12,379)	(19,579)
Net book value	2,335	2,580	134,359	118,704
Historical cost of revalued assets	1,722	1,722	92,790	91,598
Aggregate depreciation thereon	(303)	(269)	(31,887)	(28,733)
Historical cost net book value	1,419	1,453	60,903	62,865

Company	Freehold buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Assets in course of construction £'000	Total £'000
<b>Cost</b>					
At beginning of year	7,751	17,608	253	7,476	33,038
Additions	-	732	29	5,536	6,297
Transfers between categories	-	-	-	(5,762)	(5,762)
Disposals	-	-	(180)	-	(180)
At end of year	7,751	18,340	102	7,250	33,443
<b>Depreciation</b>					
At beginning of year	2,321	11,985	253	-	14,559
Charge for year	247	1,943	10	-	2,200
Disposals	-	-	(180)	-	(180)
At end of year	2,568	13,928	83	-	16,579
<b>Net book value</b>					
At 30 April 2020	5,183	4,412	19	7,250	16,864
At 30 April 2019	5,430	5,623	-	7,476	18,529

Included in the total net book value of fixtures, fittings and equipment is £353,000 (2019: £43,000) in respect of assets that were held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £119,000 (2019: £53,000).

## Notes (continued)

### 12 Fixed asset investments

<i>Group</i>	<b>Interests in associated undertakings £'000</b>	<b>Other listed investments £'000</b>	<b>Other investments £'000</b>	<b>Total £'000</b>
<i>Cost or valuation</i>				
At beginning of year	250	6,071	10	6,331
Additions	-	-	-	-
Disposals	(250)	-	-	(250)
Change in fair value	-	1,122	-	1,122
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	7,193	10	7,203
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Share of post-acquisition reserves</i>				
At beginning of year	(185)	-	-	(185)
Disposals	185	-	-	185
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Provisions</i>				
At beginning of year	(65)	-	-	(65)
Disposals	65	-	-	65
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 April 2020	-	7,193	10	7,203
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2019	-	6,071	10	6,081
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of the Group's interests in associated undertakings comprises:

	<b>2020 £'000</b>	<b>2019 £'000</b>
Associates	-	(47)
	<hr/>	<hr/>
Total liabilities	-	(47)
	<hr/>	<hr/>



## Notes (continued)

### 12 Fixed asset investments (continued)

<i>Company</i>	<b>Shares in subsidiary undertakings £'000</b>	<b>Shares in associated undertakings £'000</b>	<b>Other listed investments £'000</b>	<b>Other investments £'000</b>	<b>Total £'000</b>
<i>Cost or valuation</i>					
At beginning of year	25,487	250	10,575	10	36,322
Additions	-	-	-	-	-
Disposals	-	(250)	-	-	(250)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	25,487	-	10,575	10	36,072
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Provisions</i>					
At beginning of year	13,276	250	4,504	-	18,030
Made/(released) during the year	-	(250)	(1,122)	-	(1,372)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	13,276	-	3,382	-	16,658
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 30 April 2020	12,211	-	7,193	10	19,414
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2019	12,211	-	6,071	10	18,293
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

On 30 April 2019, the Company provided a capital contribution of £280,000 to Forest Green Rovers Football Club Limited, a subsidiary undertaking. The investment was subsequently written down to £nil, as a degree of uncertainty remains over the recovery in full of the investment balance by the Group.

On 24 October 2016, the Company acquired 3,176,124 5p Ordinary shares in Good Energy Group Plc at a total cost of £8,124k with a further 21,835 for a cost of £56,000 and 50,872 for a cost of £128,000 5p Ordinary shares on 26 October 2016 and 16 November 2016 respectively. During the year, the investment has been re-measured to fair value as at 30 April 2020, resulting in a gain on revaluation of £1,122k (2019: a gain on revaluation of £530k).

On 17 December 2019, Dartmouth Wave Energy was dissolved resulting in the Company disposing of its shares in the former associate for £Nil proceeds.

## Notes (continued)

### 12 Fixed asset investments (continued)

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

<i>Subsidiary undertakings</i>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Class and percentage of shares held</b>	
Ballymena Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Bambers Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Bristol Port Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Cardiff Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Dagenham Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Dalby Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Dundee Merchant Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Ecotech Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Fen Farm Solar Park Limited <sup>1, 2</sup>	UK	Solar park	Ordinary	100%
Fen Farm Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Galsworthy Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Green Park Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Heck Fen Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	75.1%
Kings Lynn Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Lynch Knoll Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Merchant Wind Park (East Kilbride) Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Mablethorpe Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Pollington Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Sandy Wind Turbine Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Shooters Bottom Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Somerton Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Swaffham Windpark Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Worksop Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Ecotricity Generation Limited	UK	Holding company	Ordinary	100%
Ecotricity Wind and Sun Parks (Holding) Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity Wind and Sun Parks (Issuing) Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Next Generation Wind Holdings Limited <sup>1, 2</sup>	UK	Holding company	Ordinary	100%
New Power Company Limited <sup>1, 2</sup>	UK	Holding company	Ordinary	100%
Wind Holdings Nord Limited <sup>1, 2</sup>	UK	Holding company	Ordinary	100%
Britwind Limited <sup>2</sup>	UK	Manufacturing	Ordinary	100%
Ecotricity New Ventures Limited <sup>2</sup>	UK	Manufacturing	Ordinary	100%
Carbonaid Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecobank Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecogas Supplies Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Eco Cars Limited <sup>1, 2</sup>	UK	Development	Ordinary	100%
Ecotility Limited	UK	Dormant	Ordinary	100%
Ecotricity De France Limited	UK	Dormant	Ordinary	100%
Ecowater Limited	UK	Dormant	Ordinary	100%
Microtricity Limited	UK	Dormant	Ordinary	100%
Ecotalk Limited <sup>2</sup>	UK	Telecoms	Ordinary	100%
Ecotricity Bonds plc	UK	Financing	Ordinary	100%
Forest Green Rovers Football Club Limited	UK	Football club	Ordinary	96.8%
Forest Green Sun Company Limited <sup>1, 2</sup>	UK	Rooftop solar	Ordinary	96.8%

## Notes (continued)

### 12 Fixed asset investments (continued)

	Country of incorporation	Principal activity	Class and percentage of shares held	
<i>Subsidiary undertakings (continued)</i>				
Ecotopia Limited <sup>2</sup>	UK	Internet retailer	Ordinary	93.6%
The Sky Mining Company Limited <sup>2</sup>	UK	Dormant	Ordinary	75%
The Electric Highway Company Limited	UK	Travel	Ordinary	51%
The Renewable Energy Company Limited	UK	Utilities supplier	Ordinary	100%
Alveston Wind Park Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Bambers Extension Wind Park Limited <sup>1, 2</sup>	UK	Dormant	Ordinary	100%
Dulater Hill Wind Park Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Bicker Fen Energy Storage Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Upper Sonachan Wind Park Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Air Diamonds Company Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecolectricity Limited	UK	Dormant	Ordinary	100%
Ecotricity (Sparsholt Gasmill) <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Alveston) Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Climate Diamond Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Devil's Kitchen Limited <sup>2</sup>	UK	Vegan Food	Ordinary	100%
Ecotricity (Berkeley Storage) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Bulkworthy Solar) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Butts Field) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Charlton) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Dalby Solar) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Leechpool) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Lodge Farm Solar) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Smart Grid) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity Holding Co Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity J13 Ltd	UK	Dormant	Ordinary	100%
Ecotricity Merchant Holdings Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Green Devils Limited <sup>1</sup>	UK	Dormant	Ordinary	100%

Note 1 — shares held by a subsidiary company

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

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

## Notes (continued)

### 13 Stocks

<i>Group</i>	2020 £'000	2019 £'000
Raw materials and consumables	751	1,177
Work in progress	360	277
Finished goods and goods for resale	182	42
	<u>1,293</u>	<u>1,496</u>

The Company held no stocks in either year.

### 14 Debtors

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
<i>Due within one year:</i>				
Trade debtors	48,566	30,258	377	-
Amounts owed by group undertakings	-	-	28,618	44,413
Other debtors	5,520	4,525	2,239	2,320
Prepayments and accrued income	22,873	27,296	1,020	1,510
Deferred tax asset	-	-	972	748
Taxation and social security	-	299	2,234	784
	<u>76,959</u>	<u>62,378</u>	<u>35,460</u>	<u>49,775</u>

Included within other debtors is £2,134,000 (2019: £2,018,000) of loans to directors (see Note 25). These loans are interest free and are repayable on reasonable demand.

### 15 Cash and bank overdrafts

<i>Group</i>	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Cash at bank and in hand	17,524	15,152	524	409
Bank overdrafts	(19,900)	(6,658)	-	-
Cash and cash equivalents per cash flow statement	<u>(2,376)</u>	<u>8,494</u>	<u>524</u>	<u>409</u>

Included in the Group's cash and cash equivalents balance is £13,753,000 (2019: £11,561,000) which is held in restricted accounts as dictated by external financing covenants. Although the Group can access the cash the Directors do not intend to use the restricted amounts.

## Notes (continued)

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

	<b>Group 2020 £'000</b>	<b>Group 2019 £'000</b>	<b>Company 2020 £'000</b>	<b>Company 2019 £'000</b>
Bank loans and overdrafts (see Note 18)	27,503	14,256	385	1,310
Bondholders (see Note 18)	32,686	15,771	-	-
Trade creditors	5,603	9,904	992	577
Amounts owed to group undertakings	-	-	86,037	100,538
Taxation and social security	3,985	2,418	1,034	361
Other creditors	15,476	2,618	2,162	73
Accruals and deferred income	36,653	36,804	2,032	629
Finance leases (see Note 18)	380	-	380	-
Corporation tax	330	-	249	-
	<u>122,616</u>	<u>81,771</u>	<u>93,271</u>	<u>103,488</u>

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

	<b>Group 2020 £'000</b>	<b>Group 2019 £'000</b>	<b>Company 2020 £'000</b>	<b>Company 2019 £'000</b>
Bank loans (see Note 18)	63,211	66,843	3,741	818
Bondholders (see Note 18)	14,440	31,572	-	-
	<u>77,651</u>	<u>98,415</u>	<u>3,741</u>	<u>818</u>

### 18 Interest-bearing loans and borrowings

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

	<b>Group 2020 £'000</b>	<b>Group 2019 £'000</b>	<b>Company 2020 £'000</b>	<b>Company 2019 £'000</b>
<b>Creditors falling due after more than one year</b>				
Bank loans	63,211	66,843	3,741	818
Bondholders	14,440	31,572	-	-
	<u>77,651</u>	<u>98,415</u>	<u>3,741</u>	<u>818</u>

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<b>Notes (continued)</b>	<b>Group 2020</b>	<b>Group 2019</b>	<b>Company 2020</b>	<b>Company 2019</b>
<b>Creditors falling due within less than one year</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans	7,603	7,598	385	1,310
Bank overdrafts	19,900	6,658	-	-
Finance leases	380	-	380	-
Bondholders	32,686	15,771	-	-
	<u>60,569</u>	<u>30,027</u>	<u>765</u>	<u>1,310</u>
<b>Total interest-bearing loans and borrowings</b>	<b>138,220</b>	<b>128,442</b>	<b>4,506</b>	<b>2,128</b>

	<b>Group 2020 £'000</b>	<b>Group 2019 £'000</b>	<b>Company 2020 £'000</b>	<b>Company 2019 £'000</b>
Wind and solar park construction loan 1	38,451	43,991	-	-
Wind and solar park construction loan 2	18,328	19,175	-	-
Wind and solar park construction loan 3	5,795	5,941	-	-
Other bank loans	8,240	5,334	4,126	2,128
Bank overdrafts	19,900	6,658	-	-
Finance leases	380	-	380	-
Eco Bond 1	8,146	8,232	-	-
Eco Bond 2	7,419	7,539	-	-
Eco Bond 3	17,121	17,132	-	-
Eco Bond 4	14,440	14,440	-	-
	<u>138,220</u>	<u>128,442</u>	<u>4,506</u>	<u>2,218</u>

### **Bank overdrafts**

The Group has an agreed overdraft limit of up to £23,000,000 with an annual interest rate of 2.15% over the Bank of England base rate. The terms of the overdraft are renewed on an annual basis on 30 June.

### **Bank loans**

In 2019 the Group refinanced some of its wind and solar park construction loans portfolio. This resulted in a long-term gross loan of £5,666,000 as at 30 April 2020 (2019: £5,941,000) secured on the related assets. This loan is repayable in instalments to 2033. The interest rate on this loan is 4.4% per annum.

In 2018 the Group refinanced some of its wind and solar park construction loans portfolio in a series of three tranches. A fourth tranche from this loan was drawn down in 2020. This resulted in a long-term gross loan of £4,001,000 as at 30 April 2020 (2019: £3,435,000) secured on the related assets. This loan is repayable in instalments to 2033. The interest rate on this loan varies between tranches from 3.8% to 4.4% per annum.

In 2016 the Group refinanced some of its wind and solar park construction loans portfolio. This resulted in a long-term gross loan of £19,003,936 as at 30 April 2020 (2019: £19,897,000) secured on the related assets. This loan is repayable in instalments to 2034. The interest rate on this loan is 4.2% per annum.

In 2015 the Group refinanced some of its wind and solar park construction loans portfolio. This resulted in a long-term gross loan of £40,260,000 as at 30 April 2020 (2019: £45,965,000), which is the bulk of loans held at year end, secured on the related assets. This loan is repayable in instalments to 2031. The interest rate on this loan is 4.0% per annum.

In accordance with FRS102.11.13, capitalised loan issue costs of £2,686,000 (2019: £2,924,000) have been presented as a reduction to the proceeds of the construction loans and are being amortised over the loan periods.

Also included in other bank loans are a number of other loans. These are repayable by instalments between 2020 and 2030 and interest rates between 3.2% and 17.9% apply. The bank loans are secured on the wind parks or property to which they relate.

The maturity of the bank loans is as follows:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Less than one year	7,810	7,926	385	818
Between one and five years	29,599	30,329	1,677	1,396
Over five years	35,862	39,197	2,064	-
	<hr/>	<hr/>	<hr/>	<hr/>
	73,271	77,452	4,126	2,214
Less loan issue costs	(2,895)	(2,924)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	70,376	74,528	4,126	2,214
	<hr/>	<hr/>	<hr/>	<hr/>

### **Eco Bonds**

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

At the Bond 1 redemption notice cut-off date of 15 June 2020, the Group had received valid repayment requests totalling £125,000 (2019: £84,000).

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

At the Bond 2 redemption notice cut-off date of 15 June 2020, the Group had received valid repayment requests totalling £308,000 (2019: £96,000).

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

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

## Notes (continued)

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

The maturity of the bonds is as follows:

	Group 2020 £'000	Group 2019 £'000
Less than one year	32,705	15,771
Between one and five years	14,487	31,692
Over five years	-	-
	<hr/>	<hr/>
	47,192	47,463
Less loan issue costs	(62)	(120)
	<hr/>	<hr/>
	47,126	47,343
	<hr/>	<hr/>

### 19 Financial Instruments

The financial instruments are as follows:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
<b>Financial assets</b>				
Financial assets held at amortised cost	73,913	60,064	31,234	46,733
Financial assets held at fair value	17,524	15,152	524	409
	<hr/>	<hr/>	<hr/>	<hr/>
	91,437	75,216	31,758	47,142
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost	(193,696)	(177,304)	(95,349)	(103,945)
Financial liabilities held at fair value	(379)	(96)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(194,075)	(177,400)	(95,349)	(103,945)
	<hr/>	<hr/>	<hr/>	<hr/>



## Notes (continued)

### 20 Deferred tax assets and liabilities

<i>Deferred taxation</i>	<b>Group £'000</b>	<b>Company £'000</b>
At beginning of year	13,415	(748)
Charge/(credit) to profit and loss for the year (see Note 9)	1,388	(224)
Charge to other comprehensive income for the year (see Note 9)	3,957	-
Charge included directly in equity for the year (see Note 9)	-	-
<b>At end of year</b>	<b>18,760</b>	<b>(972)</b>

The elements of deferred taxation are as follows:

	<b>Group 2020 £'000</b>	<b>Group 2019 £'000</b>	<b>Company 2020 £'000</b>	<b>Company 2019 £'000</b>
Asset revaluations and accelerated capital allowances	20,762	15,721	(408)	(287)
Short term timing differences	82	(1)	82	(1)
Tax losses carried forward and other deductions	(2,084)	(2,305)	(646)	(460)
<b>Tax liabilities/(assets)</b>	<b>18,760</b>	<b>13,415</b>	<b>(972)</b>	<b>(748)</b>

Deferred tax assets of £2,221,000 (2019: £1,858,000) have not been recognised because they are trapped in loss-making companies.

### 21 Capital and reserves

#### Share capital

	<b>2020 £'000</b>	<b>2019 £'000</b>
<i>Allotted, called up and fully paid</i>		
2 (2019: 2) ordinary shares of £1 each	-	-
180 (2019: 180) ordinary shares of £0.01 each	-	-
All shares carry the same voting rights		

#### Revaluation reserve

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

## Notes (continued)

### 21 Capital and reserves (continued)

#### Other comprehensive income

<i>Group</i>	Capital redemption reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total other comprehensive income £'000
Revaluation of tangible fixed assets	-	19,658	-	19,658
Income tax on other comprehensive income	-	(3,957)	-	(3,957)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other comprehensive income	-	15,701	-	15,701
	<hr/>	<hr/>	<hr/>	<hr/>
 <i>Company</i>	 Capital redemption reserve £'000	 Revaluation reserve £'000	 Profit and loss account £'000	 Total other comprehensive income £'000
Total other comprehensive income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

### 22 Employee benefits

#### Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £294,000 (2019: £1,113,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 23 Commitments

#### Capital commitments

There were no capital commitments at the end of the financial year for which no provision has been made (2019: £852,000).

## Notes (continued)

### 24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Less than one year	521	675	154	190
Between one and five years	2,352	2,243	133	117
More than five years	8,192	6,778	-	57
	<u>11,065</u>	<u>9,696</u>	<u>287</u>	<u>364</u>

During the year £787,000 was recognised as an expense in the profit and loss account in respect of operating leases (2019: £615,000).

### 25 Related party disclosures

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

At 30 April 2020, the balance owed to the Company from D Vince is £2,134,000 (2019: £2,018,000), which is classified in other debtors (see Note 14). The balance is interest-free and is repayable on reasonable demand.

Charitable donations were made during the prior year to two charities of which one of the directors is also a Director of the Company. These were £194,000 to the Green Britain Foundation and £7,000 to Sustainability in Sport Foundation. There were no donations to these charities in the current year.

The following other transactions took place between the Company and non-wholly owned subsidiaries of the Group, over which the Company has control.

	Recharges to		Costs incurred from	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Entities over which the Company has control	<u>270</u>	<u>271</u>	<u>(5)</u>	<u>(2,741)</u>
	Receivables outstanding		Creditors outstanding	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Entities over which the Company has control	<u>2,443</u>	<u>574</u>	<u>(648)</u>	<u>(1,564)</u>

## Notes (continued)

### 26 Ultimate controlling party

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

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

### 27 Accounting estimates and judgements

In the application on the Company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historic experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

- Generation asset valuation

The Group's power generating assets are stated at fair value less any subsequent accumulated depreciation and impairment losses with a quarter residual value assumed. An internal valuation was performed by the Directors as at 30 April 2019 based on the asset's forecasted discounted future cashflow. The future cashflow model assumes that the historic average generation levels recorded by the asset over its life will continue at the same rate and that the current power price agreement and renewables credits available will continue with expected inflationary increases. Expenditure patterns are assumed to be consistent with expected inflationary increases and with expected maintenance works taken into account. The discount rate assumed by the group is the minimum rate of return the Group expects on similar investments. The assumed residual value reflects the value of the lease, which are typically longer than 24 years and plant and machinery, including the grid connection at that point. As the generating assets reach their maturity, the Group has engaged third parties to review the remaining useful economic life. These reviews have indicated that on average each asset will have its life extended by 3 years and the forecasted discounted future cashflow have been amended accordingly. No site has yet reached the end of its 24 year economic life and so this is a management estimate. The carrying amount relating to power generating assets is £134,359,000 (2019: £129,109,000).

- REC unbilled income

Turnover calculated from energy sales includes an estimate of the value of electricity or gas supplied to customers between the date of the last meter reading and the end of the reporting period. This is estimated using historical consumption patterns and data available upon which the Group takes a prudent position until the final reconciliation data is available. The total of accrued income relating to unbilled energy provision at year end is £18,472,000 (2019: £25,281,000).

- Bad debt provision

The Group provides for debts which are deemed to be irrecoverable. The provision is estimated by considering the ageing of the debts as well as payment method and assessing the likelihood of recoverability of specific debts. The likelihood is judged against historic patterns of recoverability. The carrying value of the provision at 30 April 2020 was £5,523,000 (2019: £5,237,000).

Notes *(continued)*

**27 Accounting estimates and judgements (continued)**

- **Intangibles**

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

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

- **Share classification**

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

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

- **Investment impairment**

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

- **Recoverability of loans receivable**

The company makes an estimate of the recoverable value of loans receivable from group subsidiaries. When assessing the requirement of any provision, management considers factors including the current net asset value of the investment entity, its projected future cash flows and historical experience. See note 14 for the carrying amount of intercompany loans receivable; the value of the provision at 30 April 2020 was £10,225,000 (2019: £8,690,000).

- **Manufacturing plant & machinery valuation**

The group makes an estimate of the recoverable value of bespoke manufacturing plant & machinery. Management forecast the discounted future cashflows to assess the requirement of any impairment to these assets. Due to the bespoke nature of the assets, management have taken into account information provided by independent experts to ensure that the underlying assumptions about the market and price are reasonable. The carrying value of these assets at 30 April 2020 was £4,836,000 (2019: £3,747,000)

## **28 Post Balance Sheet Events**

In May 2020, the Directors of the Company enacted a change in the corporate structure of the wider Group and as such the ultimate parent undertaking became Green Britain Group Limited, a Company incorporated in England and Wales. Additionally, the Company's investment in Forest Green Rovers Limited, Ecotricity Bonds Plc and Ecotricity New Ventures Limited were sold to the new ultimate parent undertaking. The ultimate controlling party remains the same as referenced in note 26.

In June 2020, the Group renegotiated its overdraft facilities with HSBC.

In June 2020, the Company assumed all of the balances between The Electric Highway Company Limited and other fellow group companies.

In October 2020, the Group used the Coronavirus Large Business Interruption Loan Scheme to enter into a loan of £15m with HSBC UK Bank Ltd which is repayable on 5th October 2023.