

Registration number: 07368912

# Ecotricity Bonds Plc

Annual Report and Financial Statements

for the Year Ended 30 April 2020



## **Ecotricity Bonds Plc**

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## **Ecotricity Bonds Plc**

### **Company Information**

<b>Directors</b>	Dale Vince Asif Rehmanwala Kate Vince
<b>Company secretary</b>	Elspeth Vincent
<b>Registered office</b>	Lion House Rowcroft Stroud Gloucestershire GL5 3BY
<b>Auditors</b>	Grant Thornton UK LLP Chartered Accountants 2 Glass Wharf Bristol BS2 0EL

## Ecotricity Bonds Plc

### Strategic Report for the Year Ended 30 April 2020

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

#### Principal activity

The principal activity of the Company is the provision of financing for Ecotricity Group Limited ("the Group").

#### Fair review of the business

The performance of the Company is considered to be satisfactory with the Company adequately servicing the existing bonds.

During the year, bondholders redeemed £295,500 (2019: £413,000) on the existing bonds.

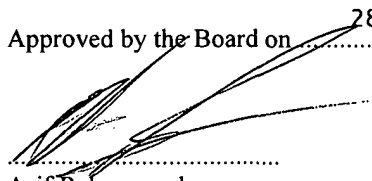
#### Principal risks and uncertainties

There is a risk that the Company will not be able to meet the obligations of the bonds with the significant factor being the time at which the bond holders redeem their investments. This risk is heightened in the current economic climate as a result of the negative impact from Covid-19 as bondholders may require to realise cash their investments.

The risk is managed and measured through both a regular review of the Group performance as well as through the use of 6-monthly redemption notice deadlines which are 6 months in advance of redemption dates.

In the event of bonds being redeemed in excess of the Company's cash balance the Company would need the support of the wider Group in order to pay bondholders. The directors are also directors of Ecotricity Group Limited and after reviewing the Group's forecasts and projections have a reasonable expectation that the Company after receiving support from the Group has access to adequate resources to continue operation existence for the foreseeable future.

Approved by the Board on 28/1/2021 ..... and signed on its behalf by:

  
.....  
Asif Rehmanwala  
Director

## **Ecotricity Bonds Plc**

### **Directors' Report for the Year Ended 30 April 2020**

The Directors present their report and the financial statements for the year ended 30 April 2020.

#### **Directors of the Company**

The Directors who held office during the year were as follows:

Dale Vince

Asif Rehmanwala

Kate Vince

#### **Financial instruments**

##### ***Objectives and policies***

The Company aims to raise funds through the issue of bonds to finance projects in the wider Group. Funds are then loaned to fellow Group companies through intercompany borrowings which are repayable on demand and through management charges.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk are discussed in note 12 of these financial statements.

#### **Going concern**

The company has significant current and non current bond liabilities amounting to £47,125,995 as 30 April 2020. The company relies on support from its ultimate parent company, Ecotricity Group Limited and has received written confirmation from Ecotricity Group Limited that it intends to continue to support the company as necessary.

The Directors have obtained forecasts for the group and these demonstrate that the group will generate sufficient cash flows to provide support for the next 12 months, however 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 to provide the required support. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

In parallel to the accounts being prepared, the Directors of Ecotricity Group Limited 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 of Ecotricity Group Limited, 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 of the Company have a reasonable expectation that the group will continue to be able to support its subsidiary companies as necessary by concluding soon on additional funding. Alongside this, group 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.

#### **Directors' liabilities**

The company has put in place qualifying third party indemnity provisions for all of the directors of Ecotricity Bonds PLC.

## **Ecotricity Bonds Plc**

### **Directors' Report for the Year Ended 30 April 2020**

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

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Reappointment of auditor**

The auditors Grant Thornton UK LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 28/1/2021 ..... and signed on its behalf by:



Asif Rehmanwala

Director

Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

## **Ecotricity Bonds Plc**

### **Statement of Directors' Responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the 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 Company and to prevent and detect fraud and other irregularities.

## **Ecotricity Bonds Plc**

### **Independent Auditor's Report to the Members of Ecotricity Bonds Plc**

#### **Opinion**

We have audited the financial statements of Ecotricity Bonds Plc (the 'company') for the year ended 30 April 2020 which comprise the Profit and loss account, the Statement of other comprehensive income, the Balance sheet, the Statement of changes in equity 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 company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **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 company'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 company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for company's associated with a course of action such as Brexit.

#### **Material uncertainty related to going concern**

We draw attention to note 2 in the financial statements, which indicates that the company has significant current and non current bond liabilities amounting to £47,125,995 as at the year ended 30 April 2020. As stated in note 2, the company is dependent on the continued support of its ultimate parent company, Ecotricity Group Limited. Ecotricity Group Ltd have prepared cashflow forecasts that are reliant on cash inflows that are not yet concluded. There is therefore a material uncertainty regarding the group's ability to continue to provide the required support. These events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **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.

## **Ecotricity Bonds Plc**

### **Independent Auditor's Report to the Members of Ecotricity Bonds Plc**

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

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

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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


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

## **Ecotricity Bonds Plc**

### **Independent Auditor's Report to the Members of Ecotricity Bonds Plc**

#### **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  
Date:.....

**Ecotricity Bonds Plc****Profit and Loss Account for the Year Ended 30 April 2020**

	Note	2020 £	2019 £
Turnover	3	2,800,000	2,900,000
Administrative expenses		<u>(29,990)</u>	<u>(90,707)</u>
<b>Operating profit</b>		2,770,010	2,809,293
Interest payable and similar charges	4	<u>(2,714,674)</u>	<u>(2,737,797)</u>
<b>Profit before taxation</b>		55,336	71,496
Taxation	7	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<u><u>55,336</u></u>	<u><u>71,496</u></u>

The notes on pages 13 to 21 form an integral part of these financial statements.

**Ecotricity Bonds Plc****Statement of Comprehensive Income for the Year Ended 30 April 2020**

	Note	2020 £	2019 £
Profit for the year		<u>55,336</u>	<u>71,496</u>
<b>Total comprehensive income for the year</b>		<u><u>55,336</u></u>	<u><u>71,496</u></u>

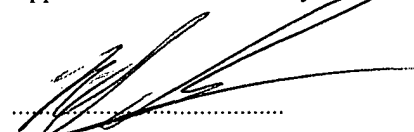
The notes on pages 13 to 21 form an integral part of these financial statements.

**Ecotricity Bonds Plc****(Registration number: 07368912)****Balance Sheet as at 30 April 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors	8	52,086,377	48,838,105
Cash at bank and in hand	9	<u>27,850</u>	<u>4,279</u>
		52,114,227	48,842,384
<b>Creditors: Amounts falling due within one year</b>	10	<u>(37,203,882)</u>	<u>(16,857,011)</u>
<b>Net current assets</b>		14,910,345	31,985,373
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(14,442,123)</u>	<u>(31,572,487)</u>
<b>Net assets</b>		<u>468,222</u>	<u>412,886</u>
<b>Capital and reserves</b>			
Called up share capital	11	50,000	50,000
Profit and loss account		<u>418,222</u>	<u>362,886</u>
<b>Total equity</b>		<u>468,222</u>	<u>412,886</u>

28/1/2021

Approved and authorised by the Board on ..... and signed on its behalf by:



Asif Rehmanwala

Director

The notes on pages 13 to 21 form an integral part of these financial statements.

**Ecotricity Bonds Plc****Statement of Changes in Equity for the Year Ended 30 April 2020**

	<b>Share capital</b> <b>£</b>	<b>Profit and loss</b> <b>account</b> <b>£</b>	<b>Total</b> <b>£</b>
At 1 May 2019	50,000	362,886	412,886
Profit for the year	-	55,336	55,336
At 30 April 2020	<u>50,000</u>	<u>418,222</u>	<u>468,222</u>
	<b>Share capital</b> <b>£</b>	<b>Profit and loss</b> <b>account</b> <b>£</b>	<b>Total</b> <b>£</b>
At 1 May 2018	50,000	291,390	341,390
Profit for the year	-	71,496	71,496
At 30 April 2019	<u>50,000</u>	<u>362,886</u>	<u>412,886</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

## **Ecotricity Bonds Plc**

### **Notes to the Financial Statements for the Year Ended 30 April 2020**

#### **1 General information**

The Company is a private company limited by share capital incorporated in the UK. The presentation currency of these financial statements is sterling.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

##### **Name of parent of Group**

These financial statements are consolidated in the financial statements of the Company's ultimate parent undertaking, Ecotricity Group Limited.

The financial statements of Ecotricity Group Limited may be obtained from Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

## **Ecotricity Bonds Plc**

### **Notes to the Financial Statements for the Year Ended 30 April 2020**

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

##### **Going concern**

The company has significant current and non current bond liabilities amounting to £47,125,995 as 30 April 2020. The company relies on support from its ultimate parent company, Ecotricity Group Limited and has received written confirmation from Ecotricity Group Limited that it intends to continue to support the company as necessary.

The Directors have obtained forecasts for the group and these demonstrate that the group will generate sufficient cash flows to provide support for the next 12 months, however 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 to provide the required support. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

In parallel to the accounts being prepared, the Directors of Ecotricity Group Limited 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 of Ecotricity Group Limited, 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 of the Company have a reasonable expectation that the group will continue to be able to support its subsidiary companies as necessary by concluding soon on additional funding. Alongside this, group 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.

##### **Judgements**

Amounts owed by group undertakings total £52,079,983 at the balance sheet date. Management consider that the Group has sufficient resources to be able to repay this balance and therefore no impairment is required.

##### **Key sources of estimation uncertainty**

There are no key sources of estimation uncertainty within the financial statements.

##### **Turnover**

Turnover comprises the fair value of the consideration received or receivable for the recharge of interest and other management fees to other companies in the Group. Turnover is shown net of value added tax.

##### **Finance income and costs policy**

Interest income and interest payable are recognised in the profit and loss as they accrue on funds invested or borrowed, using the effective interest method.

## **Ecotricity Bonds Plc**

### **Notes to the Financial Statements for the Year Ended 30 April 2020**

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

##### **Tax**

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. Timing differences between accumulated depreciation and tax allowances for the cost of a fixed asset are not provided if and when all conditions for retaining tax allowances have been met. 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 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. 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 and other future taxable profits.

##### **Cash and cash equivalents**

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

##### **Trade and other receivables**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Trade and other payables**

Trade creditors and other creditors include obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade and other creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

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 costs using the effective interest method, less any impairment losses.

## Ecotricity Bonds Plc

### Notes to the Financial Statements for the Year Ended 30 April 2020

#### 2 Accounting policies (continued)

##### Share capital

Ordinary shares are classified as equity as they include no contractual obligations upon the Company. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### Dividends

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

#### 3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Management recharges	<u>2,800,000</u>	<u>2,900,000</u>

#### 4 Interest payable and similar charges

	2020	2019
	£	£
Interest on borrowings	<u>2,714,674</u>	<u>2,737,797</u>

#### 5 Staff costs

The Company had no employees or staff costs in either year.

## Ecotricity Bonds Plc

### Notes to the Financial Statements for the Year Ended 30 April 2020

#### 6 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>4,000</u>	<u>3,000</u>

Amounts receivable by the Company's auditor and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed for the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Ecotricity Group Limited.

#### 7 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	<u>-</u>	<u>-</u>
Total tax expense	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>55,336</u>	<u>71,496</u>
Corporation tax at standard rate	10,514	13,584
Group relief claimed	<u>(10,514)</u>	<u>(13,584)</u>
Total tax charge	<u>-</u>	<u>-</u>

From 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A subsequent rate increase to 19% (effective 1 April 2020) was enacted on 11 March 2020.

## Ecotricity Bonds Plc

### Notes to the Financial Statements for the Year Ended 30 April 2020

#### 8 Debtors

	2020 £	2019 £
Amounts owed by group undertakings	52,079,983	48,835,555
Other debtors	6,394	2,550
	<u>52,086,377</u>	<u>48,838,105</u>

#### 9 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>27,850</u>	<u>4,279</u>

#### 10 Creditors

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	12	32,683,782	15,770,500
Trade creditors		1,046	8,309
Amounts due to group undertakings		3,291,579	-
Accrued expenses		<u>1,227,475</u>	<u>1,078,202</u>
		<u>37,203,882</u>	<u>16,857,011</u>
<b>Due after one year</b>			
Loans and borrowings	12	<u>14,442,123</u>	<u>31,572,487</u>

#### 11 Share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## Ecotricity Bonds Plc

### Notes to the Financial Statements for the Year Ended 30 April 2020

#### 12 Financial instruments

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Bondholders	<u>14,442,123</u>	<u>31,572,487</u>
	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bondholders	<u>32,683,782</u>	<u>15,770,500</u>

On 15 December 2010 the Company raised an unsecured bond ("Bond 1") for £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 Company 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 2020 redemption notice cut-off date of 15 June 2020, the Company had received valid repayment requests totalling £125,000 (2019: £83,500).

On 16 December 2011 the Company raised an unsecured bond ("Bond 2") for £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 Company 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 2020 redemption notice cut-off date of 16 June 2020, the Company had received valid repayment requests totalling £308,000 (2019: £96,000).

On 16 December 2015 the Company raised an unsecured bond ("Bond 3") for £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 Company 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.

At the Bond 3 2020 redemption notice cut-off date of 16 June 2020, the Company had received valid repayment requests totalling £784,500 (2019: £Nil).

On 16 December 2016 the Company raised an unsecured bond ("Bond 4") for £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 Company 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.

## Ecotricity Bonds Plc

### Notes to the Financial Statements for the Year Ended 30 April 2020

#### 12 Financial instruments (continued)

##### Credit risk

The exposure to credit risk is minimised as the Company is not lending to parties outside of the wider Group. Any credit risk can therefore be assessed immediately as the Directors of Ecotricity Bonds Plc are also the Directors of the borrowing companies.

##### Liquidity risk

The funds from bonds are used to finance projects of fellow Group companies and as such are underpinned by loans to those Group companies. The risk that the Company will not be able to meet obligations of the bonds is linked to the underlying performance of the Group. The significant factor affecting the liquidity risk is the time at which the bond holders redeem their investments.

The risk is managed and measured through regular review of the Group performance. The Company assess the number of bond holders who redeem their investment by reviewing the instructions to redeem at each 6 monthly deadline and ensuring that adequate funds are available to repay the obligations.

The undiscounted obligations, including both principal and interest, associated with the bonds are repayable as follows:

	2020 £	2019 £
Within 1 year	35,916,874	18,530,758
Within 2 - 5 years	14,873,617	33,458,613
	<u>50,790,491</u>	<u>51,989,371</u>

##### Market risk

The market risk is deemed to be low. The risk of a negative impact from interest rate risk is minimal as the bond interest rates are significantly higher than the Bank of England interest rate which cannot drop much further than the current rate.

Price risk and currency risk is not deemed to be a significant factor as the bonds are non-tradable, sterling instruments.

#### 13 Related party transactions

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.

##### *Summary of transactions with not wholly owned Group companies*

The following other transactions took place between the Company and non-wholly owned subsidiaries but still under control of the ultimate parent company, Ecotricity Group Limited.

	Debtors outstanding		Creditors outstanding	
	2020	2019	2020	2019
	£	£	£	£
Other Group undertakings	-	-	1,000	-
	-	-	1,000	-

## **Ecotricity Bonds Plc**

### **Notes to the Financial Statements for the Year Ended 30 April 2020**

#### **14 Immediate and ultimate parent undertakings**

The Company's immediate and ultimate parent undertaking is Ecotricity Group Limited, a company incorporated in England and Wales. The ultimate controlling party of the Company is D Vince, the only shareholder of Ecotricity Group Limited.

The largest Group in which the results of the Company are consolidated is that headed by Ecotricity Group Limited. This is also the smallest Group to include the results of the Company. Consolidated financial statements of this Group may be obtained from Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

#### **15 Non adjusting events after the financial period**

On 1 May 2020, the Directors of the ultimate parent undertaking enacted a change in structure of the wider group and as such the immediate and ultimate parent undertaking became Green Britain Group Limited, a Company incorporated in England and Wales. There was no financial impact on the Company.