

CH

Ecotricity Group Limited  
Annual report and consolidated financial statements  
Year ended 30 April 2019

**Ecotricity Group Limited**

Annual report and consolidated  
financial statements

Registered number 03521776

Year ended 30 April 2019

## Contents

Company information	2
Strategic report	3
Directors' report	7
Statement of Directors' responsibilities in respect of the Annual report and the Financial statements	9
Independent auditor's report to the members of Ecotricity Group Limited	10
Consolidated Profit and Loss Account	13
Consolidated Statement of Other Comprehensive Income	14
Consolidated Balance Sheet	15
Company Balance Sheet	16
Consolidated Statement of Changes in Equity	17
Company Statement of Changes in Equity	19
Consolidated Cash Flow Statement	20
Notes	21

## Company information

<b>Directors</b>	Dale Vince Kate Vince Simon Crowfort Asif Rehmanwala Dan Goodall Patrick New (resigned 1 August 2018) Paul Sands (appointed 2 November 2018) Emily Staples (resigned 6 June 2019) Claire Burden (appointed 1 July 2019) Tom Cowling (appointed 9 September 2019)
<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 2019.

### Principal activities

The principal activities of Ecotricity Group Limited (the “Group”) are those of a general commercial company. The Company 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 (The Renewable Energy Company Limited)*

2019 has been a year of significant growth in turnover for The Renewable Energy Company. During 2019, turnover in The Renewable Energy Company grew by 16.9% to £193,340k (2018: £165,319k).

In aggregate, business and domestic customer numbers were up year-on-year by 1.4% (2018: -3.0%). Customer numbers for 2018 still included approximately 15k accounts relating to a single customer that switched away by mutual consent towards the end of the 2018 financial year. Excluding the impact of this customer, there was an underlying increase of 2.4% (2018: 4.4%). This lower year-on-year growth results from increased price competition in the retail supply market whilst the Supply business remained 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 33% to 660 GWh (2018: +62% to 495 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 19% (2018: +12%) in the year. Domestic customer volume (gas and electric combined) showed a decrease of 3% in the year (2018: +1%) (having removed the impact of the 15k accounts as detailed above) as smart meters roll out and domestic customers become more energy aware and energy efficient.

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) (wind parks) and one solar asset (1MW) (sun park).

Wind generation was 15% lower than in 2018 mainly due to overall wind output in 2019 being significantly lower compared to seasonal norms, compounded by grid outages and instability, which were out of the control of the Group, and maintenance issues.

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 Heckington Fen project. The plan to build up to 22 wind turbines near Heckington in Lincolnshire was granted consent by the Department of Energy and Climate Change (now Department for Business, Energy & Industrial Strategy (BEIS)) in February 2013. The consent was conditionally granted based on Radar Mitigation Scheme (RMS) being agreed with the Ministry of Defence for primary surveillance radars at RAF Coningsby, Cranwell and Waddington. Material grid connection works have been performed however progress has stalled due to radar mitigation.

During the course of 2015 – 2017 Ecotricity worked closely with the Ministry of Defence Wind Farm Team and leading radar consultants to assess whether any currently available radar mitigation would satisfactorily address the concerns of the MOD. This work concluded that there were no solutions available at that point in time with a reasonable prospect of addressing the MODs concerns. Since this work was completed Ecotricity has been continuing to investigate alternative potential solutions, remains committed to the project through extending its option on the site and is working to find an acceptable solution to this concern, however until a mitigation is approved, it is not possible to say with certainty that construction will resume.

Accordingly, an impairment of £2,427k has been recognised in the year ending 30 April 2019. When approval to resume works is received, Ecotricity will reverse this impairment to the extent that the costs incurred to date still have future economic value.

### ***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 £201,424k (2018: £175,739k). 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 grown at a slower rate to £55,782k (2018: £55,018k) 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 31.3 to 27.7%.

Total pre-tax loss was £4,812k (2018: £4,924k (loss)). 2018 pre-tax loss was negatively impacted by the adverse movement in the share price of the Group's listed investment being £5,034k; without this the underlying Group made a £740k profit before tax. This movement of £5,552k to a pre-tax loss in 2019 has been principally driven by the increase in administration costs of £4,793k. This increase in administration costs was driven by an increase in bad

debt write offs (which is not expected to continue into the current financial year), and a write off of project costs capitalised in previous years, as mentioned above.

The financial position of the Group remains strong with net assets at £54,447k (2018: £58,911k) and cash and cash equivalents of £8,494k (2018: £11,004k) as shown in Note 15.

Long term liabilities which stood at £111,830k as at the balance sheet date (2018: £113,945k) have declined as repayments are made in line with obligations.

## **Future developments**

The directors are pleased to be able to clearly demonstrate a significant improvement of the Group during 2019 compared to 2018, not only in terms of strong revenue growth but also in the area of strategic focus which will stand the Group in a strong position for the year to come.

Despite the challenges which energy suppliers continue to face, the directors believe that 2020 will be another year of growth for the business both in terms of revenue and profitability.

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 as well 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.

### Post Balance Sheet Events

See note 26 to the financial statements.

Approved by the Board on 18/02/2020 ~~2020~~ and signed on its behalf by:



A Rehmanwala  
Director

Lion House  
Rowcroft  
Stroud  
Gloucestershire  
GL5 3BY

## Directors' report

The directors present the Directors' Report and financial statements for the year ended 30 April 2019.

### Directors

The directors who held office during the year and up to the date of this report were as follows:

D Vince  
K Vince  
S Crowfoot  
A Rehmanwala  
D Goodall  
P New (resigned 1 August 2018)  
P Sands (appointed 2 November 2018)  
E Staples (resigned 6 June 2019)  
C Burden (appointed 1 July 2019)  
T Cowling (appointed 9 September 2019)

### Employees

Ecotricity 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 company 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 company who have become disabled persons during the period when they were employed by the company.

### Political and charitable contributions

The Group made charitable donations of £231,000 (2018: £416,000) in the year. This includes £194,000 (2018: £378,000) to the Green Britain Foundation and £7,000 (2018: £9,000) to Sustainability in Sport Foundation, charities and companies of which one of the directors is also a director.

The Group made political donations of £10,000 (2018: £nil) in the year.

### Directors' liabilities

The company has put in place qualifying third party indemnity provisions for all of the directors of Ecotricity Wind and Sun Parks (Issuing) Limited.

### Disclosures

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

### 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 Company'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 Company's auditor is aware of that information.



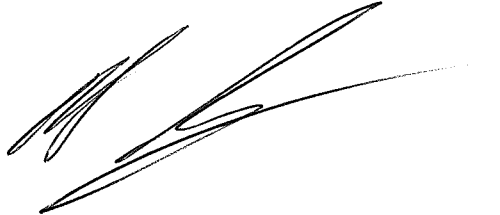
**Auditor**

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

18 / 02 / 2020

## **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 2019 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 2019 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 the group associated with a course of action such as Brexit.

### Conclusions relating to going concern

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

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

In our evaluation of the directors' conclusions, we considered the risks associated with the group's business model, including effects arising from Brexit, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

### **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.

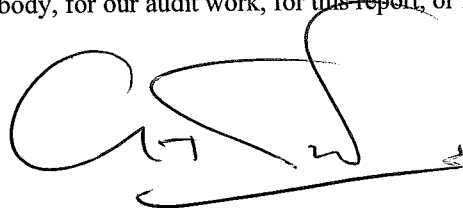
### Auditor's responsibilities for the audit of the financial statements

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

18 February 2020

**Consolidated Profit and Loss Account**  
*for the year ended 30 April 2019*

	Note	2019 £'000	2018 £'000
<b>Turnover</b>	2	201,424	175,739
Cost of sales		(145,642)	(120,721)
<b>Gross profit</b>		55,782	55,018
Administrative expenses		(58,117)	(53,324)
Other operating income	3	3,622	5,462
Loss on sale of fixed assets		(45)	(480)
<b>Trading profit</b>		1,242	6,676
Change in fair value of strategic investment		530	(5,034)
<b>Operating profit</b>	4	1,772	1,642
Interest receivable and similar income	7	47	75
Interest payable and similar charges	8	(6,631)	(6,641)
<b>Loss on ordinary activities before taxation</b>		(4,812)	(4,924)
Tax charge on profit on ordinary activities	9	(142)	(693)
<b>Loss for the financial year</b>		(4,954)	(5,617)
<i>Loss attributable to:</i>			
Shareholders of the parent company		(3,822)	(5,335)
Non-controlling interests		(1,132)	(282)
<b>Total (loss)</b>		(4,954)	(5,617)

The notes on pages 21 to 50 form part of the financial statements.

## Consolidated Statement of Other Comprehensive Income *for the year ended 30 April 2019*

	<i>Note</i>	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
<b>Loss for the year</b>		(4,954)	(5,617)
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets	<i>11</i>	399	(5,302)
Deferred tax on other comprehensive income	<i>9</i>	91	1,463
		<hr/>	<hr/>
<b>Other comprehensive (loss)/income for the year, net of income tax</b>		(4,464)	(3,839)
		<hr/>	<hr/>
<b>Total comprehensive (loss) for the year</b>		(4,464)	(9,456)
		<hr/> <hr/>	<hr/> <hr/>
<i>Total comprehensive income attributable to:</i>			
Shareholders of the parent company		(3,332)	(9,174)
Non-controlling interests		(1,132)	(282)
		<hr/>	<hr/>
		(4,464)	(9,456)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 21 to 50 form part of the financial statements.

**Consolidated Balance Sheet**  
*at 30 April 2019*

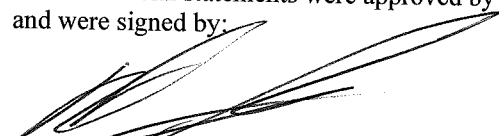
	Note	2019		2018	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Negative goodwill	10	(1,953)		(2,068)	
Other intangible assets	10	3,782		5,737	
Tangible assets	11		1,829		3,669
Other investments	12		161,112		165,043
			6,081		5,541
<b>Current assets</b>			169,022		174,253
Stock	13	1,496		1,499	
Debtors	14	62,378		49,174	
Cash at bank and in hand	15	15,152		12,506	
<b>Creditors: amounts falling due within one year</b>	16	79,026		63,179	
		(81,771)		(64,576)	
<b>Net current (liabilities)/assets</b>			(2,745)		(1,397)
<b>Total assets less current liabilities</b>			166,277		172,856
<b>Creditors: amounts falling due after more than one year</b>	17	(98,415)		(100,178)	
Deferred tax liability	19	(13,415)		(13,767)	
<b>Net assets</b>			54,447		58,911
<b>Capital and reserves</b>					
Called up share capital	20	-		-	
Revaluation reserve		51,704		54,538	
Profit and loss account		4,822		5,330	
Equity attributable to the parent's shareholders			56,526		59,868
Non-controlling interests			(2,079)		(957)
<b>Shareholders' funds</b>			54,447		58,911

The notes on pages 21 to 50 form part of the financial statements.

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

18 February

2020

  
**A Rehmanwala**  
Director

Company registered number: 03521776



**Company Balance Sheet**  
*at 30 April 2019*

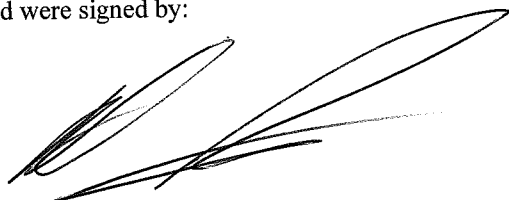
	<i>Note</i>	2019		2018	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	<i>10</i>		813		1,036
Tangible assets	<i>11</i>		18,529		18,113
Investments	<i>12</i>		18,293		17,752
			<hr/>		<hr/>
			37,635		36,901
<b>Current assets</b>					
Debtors	<i>14</i>	49,775		110,287	
Cash at bank and in hand	<i>15</i>	409		206	
		<hr/>		<hr/>	
		50,184		110,493	
<b>Creditors: amounts falling due within one year</b>	<i>16</i>	(103,488)		(152,958)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(53,304)		(42,465)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			(15,669)		(5,564)
<b>Creditors: amounts falling due after more than one year</b>	<i>17</i>		(818)		(2,142)
			<hr/>		<hr/>
<b>Net liabilities</b>			(16,487)		(7,706)
			<hr/> <hr/>		<hr/> <hr/>
<b>Capital and reserves</b>					
Called up share capital	<i>20</i>		-		-
Profit and loss account			(16,487)		(7,706)
			<hr/>		<hr/>
<b>Shareholders' deficit</b>			(16,487)		(7,706)
			<hr/> <hr/>		<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 £8,781k.

The notes on pages 21 to 50 form part of the financial statements.

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

*18 february* 2020



**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- controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 May 2017	-	62,300	6,764	69,064	(697)	68,367
<b>Total comprehensive income for the year</b>						
Loss for the year	-	-	(5,335)	(5,335)	(282)	(5,617)
Other comprehensive income	-	(3,839)	-	(3,839)	-	(3,839)
<b>Total comprehensive income for the year</b>	-	(3,839)	(5,335)	(9,174)	(282)	(9,456)
<i>Transactions with owners, recorded directly in equity:</i>						
Acquisition of non-controlling interests	-	-	(22)	(22)	22	-
Transfer from revaluation reserve	-	(3,923)	3,923	-	-	-
<b>Total contributions by and distributions to owners</b>	-	(3,923)	3,901	(22)	22	-
<b>Balance at 30 April 2018</b>	-	<b>54,538</b>	<b>5,330</b>	<b>59,868</b>	<b>(957)</b>	<b>58,911</b>

The notes on pages 21 to 50 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 2018	-	54,538	5,330	59,868	(957)	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
	-----	-----	-----	-----	-----	-----
Total comprehensive income for the year	-	490	(3,882)	(3,841)	(1,132)	(4,464)
	-----	-----	-----	-----	-----	-----
<i>Transactions with owners, recorded directly in equity:</i>						
Acquisition of non-controlling interests	-	-	(8)	(8)	8	-
Transfer from revaluation reserve	-	(3,324)	3,324	-	-	-
	-----	-----	-----	-----	-----	-----
Total contributions by and distributions to owners	-	(3,324)	3,316	(8)	8	-
	-----	-----	-----	-----	-----	-----
<b>Balance at 30 April 2019</b>	-	<b>51,704</b>	<b>4,824</b>	<b>56,528</b>	<b>(2,081)</b>	<b>54,447</b>
	=====	=====	=====	=====	=====	=====

The notes on pages 21 to 50 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 2017	-	-	(2,496)	(2,496)
<b>Total comprehensive income for the year</b>				
Loss	-	-	(5,210)	(5,210)
Total comprehensive income for the year	-	-	(5,210)	(5,210)
<b>Balance at 30 April 2018</b>	-	-	<del>(7,706)</del>	<del>(7,706)</del>
Balance at 1 May 2018	-	-	(7,706)	(7,706)
<b>Total comprehensive income for the year</b>				
Loss	-	-	(8,781)	(8,781)
Total comprehensive income for the year	-	-	(8,781)	(8,781)
<b>Balance at 30 April 2019</b>	-	-	<b>(16,487)</b>	<b>(16,487)</b>

The notes on pages 21 to 50 form part of the financial statements.

## Consolidated Cash Flow Statement for the year ended 30 April 2019

	<i>Note</i>	<b>2019</b> <b>£'000</b>	2018 £'000
<b>Cash flows from operating activities</b>		(4,954)	(5,617)
Loss for the year			
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		13,025	9,842
Interest receivable and similar income	7	(47)	(75)
Interest payable and similar charges	8	6,631	6,641
Loss on sale of tangible fixed assets		175	497
Loss / (Gain) on sale of intangible fixed assets		-	(17)
Change in fair value of investments		(530)	5,034
Taxation		(260)	693
Stock write off		-	133
Change in provisions		859	969
Amortisation of bonds		111	111
		<hr/>	<hr/>
		15,010	18,211
(Increase) / decrease in trade and other debtors		(14,063)	2,606
Decrease / (increase) in stocks		3	(16)
Increase / (decrease) in trade and other creditors		12,088	(1,173)
		<hr/>	<hr/>
		13,038	21,974
Tax paid		-	(1,165)
		<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>		13,038	20,809
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>		-	4
Proceeds from sale of tangible fixed assets		-	439
Proceeds from sale of intangible fixed assets		-	650
Proceeds from sale of other investments		47	11
Interest received		(6,306)	(11,259)
Acquisition of tangible fixed assets	10	(725)	(484)
Acquisition of other intangible assets	12	(10)	(650)
Acquisition of other investments		<hr/>	<hr/>
		(6,994)	(11,289)
<b>Net cash outflow from investing activities</b>		<hr/>	<hr/>
		(6,994)	(11,289)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>		6,100	3,750
Proceeds from new loans		(6,400)	(6,552)
Interest paid		(8,254)	(7,868)
Repayment of borrowings		-	(31)
Payment of finance lease liabilities		<hr/>	<hr/>
		(8,554)	(10,701)
<b>Net cash outflow from financing activities</b>		<hr/>	<hr/>
		(8,554)	(10,701)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(2,510)	(1,181)
Cash and cash equivalents at 1 May		11,004	12,185
		<hr/>	<hr/>
<b>Cash and cash equivalents at 30 April</b>	15	8,494	11,004
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 21 to 50 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 FRS102 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.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 May 2014 have not been restated.
- Separate financial instruments – carrying amount of the Company’s cost of investment in subsidiaries, associates and joint ventures is its deemed cost at 1 May 2014.
- Lease arrangements – in order to determine whether an arrangement contains a lease, the Group and Company has analysed facts and circumstances existing at 1 May 2014 rather than commencement date of the arrangement.
- Lease incentives – for leases commenced before 1 May 2014 the Group and Company continued to account for lease incentives under previous UK GAAP.
- Decommissioning liabilities – decommissioning costs included in the cost of the tangible fixed assets under FRS 102.17.10(c) have been measured at 1 May 2014.

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 25.

## Notes (continued)

### 1 Accounting policies (continued)

#### 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, tangible fixed assets and intangible assets measured in accordance with the revaluation model.

#### 1.2 Going concern

Notwithstanding net current liabilities in the Company of £53,304k and net liabilities of £16,487k, the directors have prepared the financial statements on a going concern basis which is considered appropriate for the following reasons. The majority of current liabilities are owed to fellow Group companies and Group management have no intention of calling these debts in.

The directors have reviewed the cash flow forecasts for the Group. In particular, the directors note that the Group's trading and cash flow performance since the balance sheet date is in line with these forecasts. With regard to the net current liabilities of the Group and taking account of reasonably possible changes in trading performance, the directors are satisfied that the Group will generate sufficient cash flows to allow the company to meet its liabilities as they fall due for payment for the foreseeable future. The group is forecast at times of peak working capital to use the overdraft facility in line with prior trading periods. The group's current overdraft facility is due for renewal by 30 June 2020 and the directors are confident that the facility will be renewed by that date and, therefore, sufficient funding will continue to be available. The Directors note that there is a balance of £15,771k within Creditors: amounts falling due within one year relating to EcoBonds 1 & 2, which have reached maturity. Redemptions can be notified by bond holders with at least 6 months' notice and the Directors are satisfied that adequate funding can be sourced or appropriate alternative action can be carried out within that timeframe in order to service the obligation should it fall due.

#### 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 2019. 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. Significant 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 other 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.

## Notes (continued)

### 1 Accounting policies (continued)

#### 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.

#### 1.6 Basic financial instruments

##### *Trade and other debtors / creditors*

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.



## Notes (continued)

### 1 Accounting policies (continued)

#### *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, 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.

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.

## Notes (continued)

### 1 Accounting policies (continued)

#### 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.

#### 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.

## Notes (continued)

### 1 Accounting policies (continued)

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

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.

Other intangible assets 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 registration over contract length

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.

## Notes (continued)

### 1 Accounting policies (continued)

#### 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.

##### *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.

## Notes (continued)

### 1 Accounting policies (continued)

#### 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.

#### 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.

## Notes (continued)

### 1 Accounting policies (continued)

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.

#### **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:

	2019 £'000	2018 £'000
Electric and gas supply	193,939	165,416
Electricity generation and related renewable energy credits	3,061	4,915
Football club	2,767	2,801
Other goods and services	1,657	2,607
	<u>201,424</u>	<u>175,739</u>

### 3 Other operating income

	2019 £'000	2018 £'000
Receipt from operational dispute	260	500
FiT administration income	2,700	2,102
Costs reimbursed by third party	-	2,100
R&D claim	137	187
Grants	9	51
Other income	516	522
	<u>3,622</u>	<u>5,462</u>

### 4 Operating profit

*Included in profit/loss are the following:*

	2019 £'000	2018 £'000
Depreciation of tangible fixed assets	10,460	9,601
Operating lease expenses	615	992
Amortisation of intangible fixed assets	295	242
Impairment of intangible fixed assets	2,268	-
Change in fair value of investment	(530)	5,034
Net loss on disposal of tangible fixed assets	(175)	(94)
Net gain on disposal of intangible fixed assets	-	17
	<u>12,123</u>	<u>25,892</u>

*Auditor's remuneration:*

	2019 £'000	2018 £'000
Audit of these financial statements	15	10
Amounts receivable by the current auditors and their associates in respect of: Audit of financial statements of subsidiaries pursuant to legislation	210	140
	<u>225</u>	<u>150</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 2019	Group 2018	Company 2019	Company 2018
Administration	790	781	721	711
Football club	60	40	-	-
	<u>850</u>	<u>821</u>	<u>721</u>	<u>711</u>

The aggregate payroll costs of these persons were as follows:

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
	Wages and salaries	23,541	22,143	20,229
Social security costs	2,101	2,079	1,741	1,800
Other pension costs	1,113	1,084	990	1,024
	<u>26,755</u>	<u>25,306</u>	<u>22,960</u>	<u>21,886</u>

### 6 Remuneration of directors

	2019 £'000	2018 £'000
Directors' remuneration	1,275	1,288
Company contributions to money purchase pension plans	111	52
	<u>1,386</u>	<u>1,340</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £220,000 (2018: £307,000), and company pension contributions of £nil (2018: £nil) were made to a money purchase scheme on their behalf.

### 7 Interest receivable and similar income

	2019 £'000	2018 £'000
Bank interest receivable	47	75
	<u>47</u>	<u>75</u>



**8 Interest payable and similar charges**

	2019 £'000	2018 £'000
On bank loans and overdrafts	3,584	3,372
On Eco bonds	2,738	2,905
Other interest payable	309	364
	6,631	6,641
	6,631	6,641

**9 Taxation**

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

	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<i>Current tax</i>				
Current tax on income for the year		-		-
Adjustments in respect of prior periods		-		-
		-		-
Total current tax		-		-
<i>Deferred tax (see Note 19)</i>				
Origination and reversal of timing differences	520		(518)	
Adjustments in respect of prior periods	(870)		(252)	
	(350)		(770)	
Total deferred tax		(350)		(770)
Total tax		(350)		(770)

## Notes (continued)

### 9 Taxation (continued)

	2019		£'000	2018		£'000
	£'000	£'000		£'000	£'000	
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	-	142	142	-	693	693
Recognised in other comprehensive income	-	(91)	(91)	-	(1,463)	(1,463)
Recognised directly in equity	-	(401)	(401)	-	-	-
<b>Total tax</b>	<b>-</b>	<b>(350)</b>	<b>(350)</b>	<b>-</b>	<b>(770)</b>	<b>(770)</b>

### Reconciliation of effective tax rate

	2019	2018
	£'000	£'000
(Loss) for the year		
Total tax charge/(credit)	(4,954)	(5,617)
	142	693
(Loss)/Profit excluding taxation	(4,812)	(4,924)
Tax using the UK corporation tax rate of 19% (2018: 19%)	(941)	(923)
Change in fair value of strategic investment	(101)	1,108
Fixed asset differences	462	601
Expenses not deductible for tax purposes	2,001	1,725
Income not taxable for tax purposes	(1,567)	(1,394)
Reduction in tax rate on deferred tax balances	(12)	37
Current year losses for which no deferred tax asset was recognised	665	(204)
Adjustments in respect of prior years	(870)	(74)
Deferred tax charged directly to other comprehensive income	494	-
Other permanent differences	11	(183)
<b>Total tax expense/(credit) included in profit or loss</b>	<b>142</b>	<b>693</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, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 April 2019 has been calculated based on these rates.

**Notes (continued)**

**10 Intangible assets and goodwill**

<i>Group</i>	<b>Goodwill</b>	<b>Contracts</b>	<b>Negative goodwill</b>	<b>Development assets</b>	<b>Brand name registration</b>	<b>Players registration</b>	<b>Carbon Foot-printing</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>								
At beginning of year	347	223	(2,298)	5,867	3,330	141	25	7,635
Additions	-	110	-	457	-	158	-	725
Disposals	-	-	-	(1,178)	-	-	-	(1,178)
Transfers from tangible fixed assets	-	-	-	-	-	-	-	-
At end of year	<u>347</u>	<u>334</u>	<u>(2,298)</u>	<u>5,146</u>	<u>3,330</u>	<u>298</u>	<u>25</u>	<u>7,182</u>
<b>Amortisation</b>								
At beginning of year	347	48	(230)	1,462	2,295	39	5	3,966
Charge in year	-	85	(115)	-	222	97	7	296
Disposals	-	-	-	(1,178)	-	-	-	(1,178)
Impairment losses	-	-	-	2,269	-	-	-	2,268
At end of year	<u>347</u>	<u>133</u>	<u>(345)</u>	<u>2,553</u>	<u>2,517</u>	<u>136</u>	<u>12</u>	<u>5,353</u>
<b>Net book value</b>								
At 30 April 2019	<u>-</u>	<u>201</u>	<u>(1,953)</u>	<u>2,593</u>	<u>813</u>	<u>162</u>	<u>13</u>	<u>1,829</u>
At 30 April 2018	<u>-</u>	<u>175</u>	<u>(2,068)</u>	<u>4,405</u>	<u>1,035</u>	<u>102</u>	<u>20</u>	<u>3,669</u>

Amortisation and impairment charges are recognised as follows in the profit and loss account: £2,564,000 (2018: £241,000) in administrative expenses.

<i>Company</i>	<b>Brand name</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
At beginning of year	3,330	3,330
Additions	-	-
At end of year	<u>3,330</u>	<u>3,330</u>
<b>Amortisation</b>		
At beginning of year	2,294	2,294
Charged in year	223	223
At end of year	<u>2,517</u>	<u>2,517</u>
<b>Net book value</b>		
At 30 April 2019	<u>813</u>	<u>813</u>
At 30 April 2018	<u>1,036</u>	<u>1,036</u>

## Notes (continued)

### 10 Intangible assets and goodwill (continued)

Amortisation and impairment charges are recognised as follows in the profit and loss account: £2,222,000 (2018: £221,000) in administrative expenses.

### 11 Tangible fixed assets

<i>Group</i>	Freehold land and buildings (Historic Cost) £'000	Freehold land and buildings (Revaluation) £'000	Plant and machinery (Historic cost) £'000	Plant and machinery (Revaluation) £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Assets in course of construction £'000	Total £'000
<b>Cost or valuation</b>								
At beginning of year	8,628	2,600	18,940	138,740	18,722	1,192	7,387	196,209
Additions	18	-	951	-	299	26	5,012	6,306
Disposals	-	-	(157)	-	(4)	-	(131)	(292)
Transfers between items	-	-	92	-	44	-	(136)	-
Revaluations	-	-	-	(457)	-	-	-	(457)
At end of year	<u>8,646</u>	<u>2,600</u>	<u>19,826</u>	<u>138,283</u>	<u>19,061</u>	<u>1,218</u>	<u>12,132</u>	<u>201,766</u>
<b>Depreciation</b>								
At beginning of year	2,381	15	3,041	14,276	10,278	1,175	-	31,166
Charge for year	389	5	1,331	6,159	2,563	13	-	10,460
On disposals	-	-	(112)	-	(4)	-	-	(116)
Revaluations	-	-	-	(856)	-	-	-	(856)
At end of year	<u>2,770</u>	<u>20</u>	<u>4,260</u>	<u>19,579</u>	<u>12,837</u>	<u>1,188</u>	<u>-</u>	<u>40,654</u>
<b>Net book value</b>								
<b>At 30 April 2019</b>	<u>5,876</u>	<u>2,580</u>	<u>15,566</u>	<u>118,704</u>	<u>6,224</u>	<u>30</u>	<u>12,132</u>	<u>161,112</u>
At 30 April 2018	<u>6,247</u>	<u>2,585</u>	<u>15,899</u>	<u>124,464</u>	<u>8,444</u>	<u>17</u>	<u>7,387</u>	<u>165,043</u>

Included in the total net book value of freehold land and buildings is £80,000 (2018: £80,000) in respect of land which is not depreciated.

Included in the total net book value of fixtures, fittings and equipment is £43,000 (2018: £96,000) in respect of assets that were held under finance leases and similar hire purchase contracts, these contracts expired during the previous year. Depreciation for the year on these assets was £53,000 (2018: £53,000).

#### Revaluation

A full valuation of buildings owned by a subsidiary, Forest Green Rovers Football Club Limited, was carried out on 31 March 2016 by Andrew Watton Property Consultants.

Full external valuations were performed for wind park assets on 30 April 2013 by BDO LLP. An internal valuation was performed by the directors as at 30 April 2019.

## 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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
At full valuation	2,600	2,600	138,283	138,740
Aggregate depreciation thereon	(20)	(15)	(19,579)	(14,276)
Net book value	<u>2,580</u>	<u>2,585</u>	<u>118,704</u>	<u>124,464</u>
Historical cost of revalued assets	1,722	1,722	91,598	91,598
Aggregate depreciation thereon	(269)	(235)	(28,733)	(25,875)
Historical cost net book value	<u>1,453</u>	<u>1,487</u>	<u>62,865</u>	<u>65,723</u>

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	7,733	17,573	253	4,228	29,787
Additions	18	35	-	3,248	3,301
Transfers between categories	-	-	-	-	-
Disposals	-	-	-	-	-
At end of year	<u>7,751</u>	<u>17,608</u>	<u>253</u>	<u>7,476</u>	<u>33,038</u>
<b>Depreciation</b>					
At beginning of year	2,018	9,403	253	-	11,674
Charge for year	303	2,582	-	-	2,885
Disposals	-	-	-	-	-
At end of year	<u>2,321</u>	<u>11,985</u>	<u>253</u>	<u>-</u>	<u>14,559</u>
<b>Net book value</b>					
At 30 April 2019	<u>5,430</u>	<u>5,623</u>	<u>-</u>	<u>7,476</u>	<u>18,529</u>
At 30 April 2018	<u>5,715</u>	<u>8,170</u>	<u>-</u>	<u>4,228</u>	<u>18,113</u>

Included in the total net book value of fixtures, fittings and equipment is £43,000 (2018: £96,000) in respect of assets that were held under finance leases and similar hire purchase contracts, these contracts expired during the previous year. Depreciation for the year on these assets was £53,000 (2018: £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>
<b><i>Cost or valuation</i></b>				
At beginning of year	250	5,541	-	5,791
Additions	-	-	10	10
Disposals	-	-	-	-
Change in fair value	-	530	-	530
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	250	6,071	10	6,331
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><i>Share of post-acquisition reserves</i></b>				
At beginning and end of year	(185)	-	-	(185)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><i>Provisions</i></b>				
At beginning and end of year	(65)	-	-	(65)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><i>Net book value</i></b>				
At 30 April 2019	-	6,071	10	6,081
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 April 2018	-	5,541	-	5,541
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2019 £'000</b>	<b>2018 £'000</b>
Associates	(47)	(36)
	<hr/>	<hr/>
Total liabilities	(47)	(36)
	<hr/> <hr/>	<hr/> <hr/>

**Notes** *(continued)*

**12 Fixed asset investments** *(continued)*

<i>Company</i>	Shares in subsidiary undertakings £'000	Shares in associated undertakings £'000	Other listed investments £'000	Other investments £'000	Total £'000
<b><i>Cost or valuation</i></b>					
At beginning of year	25,207	250	10,575	-	36,032
Additions	280	-	-	10	290
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	25,487	250	10,575	10	36,322
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><i>Provisions</i></b>					
At beginning of year	12,996	250	5,034	-	18,280
Made/(released) during the year	280	-	(531)	-	(251)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	13,276	250	4,503	-	18,029
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><i>Net book value</i></b>					
At 30 April 2019	12,211	-	6,071	10	18,293
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 April 2018	12,211	-	5,541	-	17,752
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <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 2019, resulting in a gain on revaluation of £530k (2018: a loss on revaluation of £5,034k).

## 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	UK	Manufacturing	Ordinary	100%
Ecotricity New Ventures Limited	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</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</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	
<b>Subsidiary undertakings (continued)</b>				
Ecotopia Limited <sup>2</sup>	UK	Internet retailer	Ordinary	93.6%
The Sky Mining Company Limited	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</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%
Ecoelectricity Limited	UK	Dormant	Ordinary	100%
Ecotricity (Sparsholt Gasmill)	UK	Dormant	Ordinary	100%
Ecotricity (Alveston) Limited	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 <sup>2</sup>	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%
<b>Associated undertakings – associates</b>				
Dartmouth Wave Energy Limited	UK	Wave energy development	Ordinary	47.8%

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

<b>Group</b>	<b>2019</b> <b>£'000</b>	2018 £'000
Raw materials and consumables	1,177	1,196
Work in progress	277	303
Finished goods and goods for resale	42	-
	<u>1,496</u>	<u>1,499</u>

The Company held no stocks in either year.

### 14 Debtors

	<b>Group</b> <b>2019</b> <b>£'000</b>	Group 2018 £'000	<b>Company</b> <b>2019</b> <b>£'000</b>	Company 2018 £'000
<i>Due within one year:</i>				
Trade debtors	30,258	25,082	-	197
Amounts owed by group undertakings	-	-	44,413	102,858
Other debtors	4,525	4,887	2,320	4,851
Prepayments and accrued income	27,296	19,041	1,510	1,194
Deferred tax asset	-	-	748	696
Taxation and social security	299	164	784	491
	<u>62,378</u>	<u>49,174</u>	<u>49,775</u>	<u>110,287</u>

Included within other debtors is £2,018,000 (2018: £961,000) of loans to directors (see Note 24). These loans are interest free and are repayable on reasonable demand.

### 15 Cash and bank overdrafts

<b>Group</b>	<b>Group</b> <b>2019</b> <b>£'000</b>	Group 2018 £'000	<b>Company</b> <b>2019</b> <b>£'000</b>	Company 2018 £'000
Cash at bank and in hand	15,152	12,506	409	206
Bank overdrafts	(6,658)	(1,502)	-	-
	<u>8,494</u>	<u>11,004</u>	<u>409</u>	<u>206</u>

Included in the Group's cash and cash equivalents balance is £11,561,000 (2018: £11,593,000) 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

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Bank loans and overdrafts (see Note 18)	14,256	8,685	1,310	893
Bondholders (see Note 18)	15,771	16,231	-	-
Trade creditors	9,904	12,415	577	249
Amounts owed to group undertakings	-	-	100,538	150,556
Taxation and social security	2,418	1,105	361	-
Other creditors	2,618	1,717	73	-
Accruals and deferred income	36,804	24,423	629	1,260
Corporation tax	-	-	-	-
	<u>81,771</u>	<u>64,576</u>	<u>103,488</u>	<u>152,958</u>

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

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Bank loans (see Note 18)	66,843	68,743	818	2,142
Bondholders (see Note 18)	31,572	31,435	-	-
	<u>98,415</u>	<u>100,178</u>	<u>818</u>	<u>2,142</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.

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
<b>Creditors falling due after more than one year</b>				
Bank loans	66,843	68,743	818	2,142
Bondholders	31,572	31,435	-	-
	<u>98,415</u>	<u>100,178</u>	<u>818</u>	<u>2,142</u>

<b>Notes (continued)</b>	<b>Group 2019</b>	<b>Group 2018</b>	<b>Company 2019</b>	<b>Company 2018</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	7,598	7,183	1,310	893
Bank overdrafts	6,658	1,502	-	-
Bondholders	15,771	16,231	-	-
	<u>30,027</u>	<u>24,916</u>	<u>1,310</u>	<u>893</u>
<b>Total interest-bearing loans and borrowings</b>	<u>128,442</u>	<u>125,094</u>	<u>2,128</u>	<u>3,035</u>

	<b>Group 2019</b>	<b>Group 2018</b>	<b>Company 2019</b>	<b>Company 2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wind and solar park construction loan 1	43,991	49,418	-	-
Wind and solar park construction loan 2	19,175	19,974	-	-
Wind and solar park construction loan 3	5,941	-	-	-
Other bank loans	5,334	6,695	2,128	3,035
Bank overdrafts	6,658	1,502	-	-
Eco Bond 1	8,232	8,358	-	-
Eco Bond 2	7,539	7,769	-	-
Eco Bond 3	17,132	17,129	-	-
Eco Bond 4	14,440	14,411	-	-
	<u>128,442</u>	<u>125,256</u>	<u>2,128</u>	<u>3,035</u>

### **Bank overdrafts**

The Group has an agreed overdraft limit of up to £16,000k 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**

During the year the Group refinanced some of its wind and solar park construction loans portfolio. This resulted in a long-term gross loan of £5,940,587 as at 30 April 2019 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 2016 the Group refinanced some of its wind and solar park construction loans portfolio. This resulted in a long-term gross loan of £19,897,341 as at 30 April 2019 (2018: £20,743,088) 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 £45,964,800 as at 30 April 2019 (2018: £51,557,175), 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 £2,924,000 (2018: £2,908,000) have been presented as a reduction to the proceeds of the construction loans and are being amortised over the loan periods.

## Notes (continued)

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

Also included in other bank loans are a number of other loans. These are repayable by instalments between 2019 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 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Less than one year	7,926	7,547	818	893
Between one and five years	30,329	29,985	1,396	2,142
Over five years	39,197	41,462	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	77,452	78,994	2,214	3,035
Less loan issue costs	(2,924)	(2,908)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	74,528	76,086	2,214	3,035
	<hr/> <hr/>	<hr/> <hr/>	<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 2019, the Group had received valid repayment requests totalling £84,000 (2018: £101,000).

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 17 December 2015. Bondholders may, on six months' notice, at their option redeem the bonds on the later of 17 December 2015 or any subsequent anniversary thereof.

At the Bond 2 redemption notice cut-off date of 17 June 2019, the Group had received valid repayment requests totalling £96,000 (2018: £279,000).

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 17 December 2020. Bondholders may, on six months' notice, at their option redeem the bonds on the later of 17 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 17 December 2021. Bondholders may, on six months' notice, at their option redeem the bonds on the later of 17 December 2021 or any subsequent anniversary thereof.

**Notes** *(continued)*

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

The maturity of the bonds is as follows:

	<b>Group 2019 £'000</b>	Group 2018 £'000
Less than one year	15,771	16,231
Between one and five years	31,692	31,743
Over five years	-	-
	<hr/>	<hr/>
Less loan issue costs	47,463 (120)	47,974 (308)
	<hr/>	<hr/>
	<b>47,343</b>	<b>47,666</b>
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 19 Deferred tax assets and liabilities

<i>Deferred taxation</i>	<b>Group £'000</b>	<b>Company £'000</b>
At beginning of year	13,767	(696)
Credit / (charge) to profit and loss for the year (see Note 9)	142	(52)
Credit to other comprehensive income for the year (see Note 9)	(91)	-
Credit included directly in equity for the year (see Note 9)	(401)	-
	<hr/>	<hr/>
<b>At end of year</b>	<b>13,415</b>	<b>(748)</b>
	<hr/> <hr/>	<hr/> <hr/>

The elements of deferred taxation are as follows:

	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Company 2019 £'000</b>	<b>Company 2018 £'000</b>
Accelerated capital allowances	15,721	17,010	(287)	156
Short term timing differences	(1)	(23)	(1)	(15)
Tax losses carried forward and other deductions	(2,305)	(3,220)	(460)	(837)
	<hr/>	<hr/>	<hr/>	<hr/>
Tax liabilities/(assets)	13,415	13,767	(748)	(696)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Deferred tax assets of £1,858,000 (2018: £161,000) have not been recognised because they are trapped in loss-making companies.

### 20 Capital and reserves

#### *Share capital*

	<b>2019 £'000</b>	<b>2018 £'000</b>
<i>Allotted, called up and fully paid</i>		
2 (2018: 2) ordinary shares of £1 each	-	-
180 (2018: 180) ordinary shares of £0.01 each	-	-
All shares carry the same voting rights	<hr/>	<hr/>

#### *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)

### 20 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	-	399	-	399
Income tax on other comprehensive income	-	91	-	91
Total other comprehensive income	-	490	-	490

<i>Company</i>	Capital redemption reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total other comprehensive income £'000
Total other comprehensive income	-	-	-	-

### 21 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 £1,113,000 (2018: £1,084,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 22 Commitments

#### Capital commitments

Capital commitments at the end of the financial year for which no provision has been made are £852,000 (2018: £7,985,000).



**Notes** *(continued)*

**23 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	<b>Group 2019 £'000</b>	Group 2018 £'000	<b>Company 2019 £'000</b>	Company 2018 £'000
Less than one year	675	508	190	41
Between one and five years	2,243	2,091	117	14
More than five years	6,778	7,289	57	-
	<u>9,696</u>	<u>9,888</u>	<u>364</u>	<u>55</u>

During the year £615,000 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £741,000).

**24 Related party disclosures and controlling party**

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.

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

At 30 April 2019, the balance owed to the Company from D Vince is £2,018k (2018: £961k), 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 year to two charities of which one of the directors is also a director of the Company. These were £194,000 (2018: £378,000) to the Green Britain Foundation and £7,000 (2018: £9,000) to Sustainability in Sport Foundation.

On 30 April 2019, the Company made a capital commitment to Forest Green Rovers Football Club Limited, a subsidiary undertaking, totalling £280,000. The consideration was settled through amounts owed to the Company from the subsidiary.

## Notes (continued)

### 24 Related party disclosures and controlling party (continued)

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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Entities over which the Company has control	271	479	(2,741)	(2,315)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	Receivables outstanding		Creditors outstanding	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Entities over which the Company has control	574	1,474	(1,564)	(2,339)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 25 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 (9%). 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. 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 £129,109,000 (2018: £131,181,000).

- 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 £34,110,000 (2018: £24,809,000).

Notes (*continued*)

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

- 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 2019 was £5,237,000 (2018: £4,393,000).

- 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 2019 was £8,690,000 (2018: £nil).

**26 Post Balance Sheet Events**

On 28 June 2019, Ecotricity Group renegotiated its overdraft facilities with HSBC. These facilities are due for review in June 2020.

