2013

Annual Report and Financial Statements

Good Energy Group

Good Energy Group

Annual Report and Financial Statements
Year ended 31 December 2013

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For the year ended 31 December 2013

Good Energy Group PLC (the "Group" or the "Company") achieved a year of strong growth during 2013, delivering an overall business performance ahead of market expectations. Growth was delivered across the electricity generation, electricity and gas supply, and Feed-in Tariff (FIT) administration businesses. In addition, there was an increase in gross profit due to the sale of some solar generation development sites. This resulted in a total gross profit increase of 42%, to £13.6m.

The Company's cash flow position remains healthy and combined with the Board's expectations for continued future growth, the Board is recommending for approval by shareholders at our AGM, a final dividend for the year of 2.30p per Ordinary Share (2012: 2.00p). This gives a full-year dividend of 3.30p (2012: 3.00p).

Growth was achieved through the delivery of our strategy, which is focused on the customer offer, investment in generating capacity and improvements in cost controls. The combination of competitive pricing, renewables-only electricity generation and award-winning customer service has driven customer numbers and retention. The introduction of a new trading platform, diversification of the supply base and investment in Group owned and operated energy assets has delivered improvements in energy price stability, reduced power costs and improved margin. 2013 saw the successful launch of a £15m (before costs) Good Energy Bond, an equity raising of £2.7m (before costs), and an 89% increase in the cash balance at £18m. The Group is therefore financially well placed to continue to deliver on its objectives.

The UK energy market was subject to continued political and public market commentary and scrutiny. The Government's Energy Bill received Royal Assent during the year, establishing a roadmap for the UK's switch to a low-carbon economy and demonstrating its continued commitment towards the renewal and expansion of the energy market to enhance energy independence and security, and to reduce reliance on fossil fuels. Provisional government figures show that renewable sources accounted for 14.8% of the electricity generated in the UK during the 12 months to December 2013, demonstrating that renewable electricity sources such as wind and solar have a valuable contribution to make towards the UK's energy mix. We are determined that the Group will continue to be at the forefront of investment in the generation and supply of renewable electricity to UK households and businesses.

Consumer distrust of the larger, established energy companies continued to be an issue during the year, as did debate over the inclusion of Energy Company Obligation costs in household energy bills. While many suppliers introduced price increases during the latter part of the year, we were able to hold our prices until the end of March 2014. These factors, together with our growing reputation for customer service, contributed towards a strong uplift in sales during the last quarter.

During the year, we continued to deliver our programme of investment in our project pipeline and good progress was made towards delivering a total development portfolio of 200MW, comprising new solar and wind assets. Construction of our £16m Hampole Wind Farm near Doncaster began in the last quarter with commissioning now complete. In the second half of 2013 alone, we received consent to build 100MW of solar parks.

The Group's strategy of recognising value and reinvesting in the pipeline was evidenced with the sale of solar sites, with full planning permission, totalling 40.5MW, and the start of construction for a further 6.4MW of new sites. With some 60MW of additional consented solar sites including the recently fully-approved 49.9MW site at West Raynham, Norfolk, and an ongoing development portfolio, the Group is well placed to respond to increasing demand for renewable electricity supply.

The Company has continued to invest, not only in our project pipeline but also in our existing infrastructure and business operations. This enabled us to deliver efficiencies from our trading and forecasting systems, and from processes. In addition, our wind farm at Delabole, North Cornwall, exceeded operational expectations, generating around 14% of the business's total renewable electricity supply. These all contributed to our ability to drive down power purchase costs.

These investment plans were further underpinned by the success of the Good Energy Bond, which was launched in the autumn of 2013 and raised the maximum permissible subscription of £15m (before costs). It is a mark of the confidence which our customers place in us and our ethos that more than 80% of the applications for the Bond came from our customers. We also raised additional equity of £2.7m (before costs) through a Share Placing and Open Offer of a total of 2,145,247 new Ordinary Shares. These two initiatives have helped us towards achieving our goal of accelerating the development of our renewable energy generation capacity.

Looking ahead, our new trading systems, the launch of a Customer Relationship Management (CRM) system and evidence of the continued high levels of customer satisfaction (as demonstrated by our success in securing first place in the Which? energy company customer satisfaction survey for the third year in a row), will position the Group well to enjoy further growth and market consolidation during 2014.

We have continued to invest in the Board with the appointment this year of Denise Cockrem as Chief Finance Officer, a role she takes up from 1 May. Denise joins us from the Royal & Sun Alliance Insurance Group where she is currently UK & Western Europe Finance Director.

On behalf of the Board, I would like to thank Garry Peagam, Group Finance Director, for his contribution to the Group since his appointment in 2010. Under Garry's financial direction, the Group achieved AIM listing and has grown significantly in terms of its project development and supply businesses.

I would also like, on behalf of the Board, to thank Juliet Davenport and all her staff for the energy, enthusiasm and commitment with which they continue to pursue the goals of the Group . We thank, too, all the Group's customers, generators, shareholders and bond holders for their on-going support as we seek to continue to be catalysts for change in the UK energy market.

John Maltby
Chairman
7th April 2014

Chief Executive's Overview
For the year ended 31 December 2013

For Good Energy Group PLC, the over-riding theme of 2013 has undoubtedly been one of growth. Revenue increased by 43% to £40.4m and profit before tax increased by 136% to £3.3m.

We have delivered on our promises and our 'customer first' strategy of competitive pricing, renewables-only electricity generation and award winning customer service is continuing to drive both customer numbers and retention. We have seen substantial growth in the numbers of our electricity and gas customers, and Feed-in Tariff sites, with an overall increase of 32% to more than 114,000 by the end of 2013.

The focus on cost controls, investment in generation and successful implementation of a new dynamic trading platform has reduced power costs and improved margins. We have increased the number of projects in our wind and solar pipeline, helping us to move closer towards our target of developing, owning and operating more renewable generation capacity, and generating 50% of all the electrons we require by 2016. The Group has continued to diversify its supply base and the number of generators from whom we contract to purchase renewable electricity has risen to more than 640 sites across the UK.

The Group's strong financial position has enabled continued investment to deliver growth and margin. We have a strong, positive cash position and we've added to our sources of funding through the Group's successful, over-subscribed Bond, which we launched in the final quarter of the year, and an equity raise. This will enable our planned continued investment in generation and cost-efficiency improvements.

The year has not been without its challenges, particularly from the regulatory, political and market perspective. Work has been required to begin preparations for the smart metering programme; to implement the Retail Market Review; and prepare for the Electricity Market Reform due to be fully implemented in 2017. There has also been considerable debate over the Labour Party's plans to introduce an 18-month price freeze should it be successful in the 2015 General Election. Public trust is at an all-time low due to its perception of a lack of transparency of energy prices. Despite this, the Group managed to maintain a high level of satisfaction in the Which? annual energy company customer satisfaction survey.

Financial highlights

Revenue increased by 43% to £40.4m	(2012 - £28.2m)
Gross profit increased 42% to £13.6m	(2012 - £9.6m)
EBITDA increased 85% to £5.0m	(2012 – £2.7m)
Profit before tax increased 136% to £3.3m	(2012 - £1.4m)
Cash balance total as at December 31 was £18m	(2012 - £9.5m)
Basic earnings per share rose by 58% to 20.9p	(2012 – 13.2p)

Electricity and gas market positioning

By the close of 2013 we had 40,000 electricity and 15,000 gas customers (compared to 32,000 electricity and 8,500 gas customers at the end of 2012), representing growth of 25% and 76% respectively. Our Feed-in Tariff (FIT) site base also experienced growth, rising 28% from 46,000 to 59,000. We continue to be one of the largest administrators of the FIT scheme in the UK.

We were pleased that for a third year in a row, Which? ranked us top of its energy company customer satisfaction survey, giving us a five star rating in every category including 'value for money' and our Energy Savings Trust-accredited energy saving advice. We continue to believe that helping our customers reduce the amount of gas and electricity they use is important, reflecting our view that we all have a role to play in managing and becoming smarter in our energy usage.

Independent endorsement of this nature is valuable to us as it offers customers clarity on what they can expect from us as their energy supplier, and allows them to compare our performance with that of others. At a time when the energy market is seldom out of the public spotlight, this additional third-party perspective is welcome.

Our price freeze in November, increasingly competitive pricing structure and third-party endorsement have all contributed to our continued growth in customer numbers. We know our customers are also attracted to the Group's core proposition of offering a 100% renewable electricity mix, and developing, owning and operating more renewable energy capacity to meet the growing demand for energy.

Following our subsequent announcement of a price change of 2.2% across dual fuel, we may see a slow-down in customer growth, but we expect to maintain a competitive position where we are no more expensive than the big six energy suppliers, based on tariffs with no discounts. We will seek to consolidate our performance in 2014 and continue to invest to grow the customer base.

At the end of 2011 we began work on a new Customer Relations Management (CRM) system, which we rolled out in the last quarter of 2013. We invested in the system to support the Company's ability to take advantage of economies of scale as we grow. The first quarter of 2014 has been the first operational period of the new CRM system, and while there are some challenges anticipated with bedding in the system and ensuring we are using it effectively, we expect to see the benefit as the year progresses.

Trading

A key area of focus for the business during 2013 has been the continued drive to improve and refine our forecasting and trading systems, and improve our access to the markets. This was implemented in March 2013, and we have seen a significant improvement in our key performance indicators (KPIs) including, improved forecasting, better market access in the day ahead and within day markets, and less use of the imbalance markets. We have achieved a reduction of more than 50% in the volume of power traded in the imbalance market. The cumulative impact of these KPI improvements in 2013 alone was in excess of £275,000.

We now have a more responsive and flexible trading platform, which enables us to better reflect the dynamic nature of the renewables market. Our resulting enhanced performance, along with the above-forecast electricity generation contribution from Delabole wind farm, has enabled us to reduce our power purchase costs and improve our competitive position while maintaining margins.

Renewable support scheme

A percentage of the charges paid by the Group's gas customers has historically been used for the renewable support scheme, in the form of our HotROCs scheme. The growth in our gas customer numbers during the year has resulted in a fund surplus, which will enable us to extend our support of renewables in 2014. In addition to encouraging solar thermal projects, we will be looking to support a number of community-based projects.

Generation

We are progressing well towards our target of creating a portfolio of wind, solar and small hydro generation assets to enable us to deliver 50% of electricity from our own renewable generation assets by 2016.

We have received planning permission for more than 100MW of solar parks including Woolbridge in Dorset (5MW solar farm), Carloggas (9MW solar farm) and Creathorne Farm (1.4MW solar farm), both in Cornwall. West Raynham, in Norfolk (49.9MW solar farm), received final planning approval in January 2014. We are now constructing the Woolbridge and Creathorne Farm sites which should be commissioned by Q3 2014, and are considering strategic funding requirements for the rest of the portfolio. In South Yorkshire, work was progressed on our £16m, four-turbine wind farm development, which began generating at the end of March this year. The site, at Hampole, near Doncaster, is expected to generate 8.2MW (20,000 MWh), enough electricity for between 4,000-5,000 homes[1] - and almost double the amount of renewable electricity we currently produce. The wind turbine towers for Hampole have all been manufactured by UK company Mabey Bridge, at its Chepstow facility.

Our existing 9.2MW wind farm in Delabole, Cornwall, had a particularly strong year, due to a windy 12 months, and generated more than had been forecast. The 27GWh produced during 2013 contributed around 14% of our renewable electricity supply base requirement.

Good Energy Bond

The Group has a long history of inviting its customers to invest directly in the Company and in October 2013 we launched our first Corporate Bond. Seeking to raise a minimum of £5m from both individual and institutional investors, there was significant interest and we closed the Bond three weeks ahead of schedule having achieved the £15m maximum subscription amount.

Of particular note was that 80% of the applications came from the Group's customers. We believe that this success is indicative of strong brand confidence in Good Energy. The Good Energy Bond is now part of a set of instruments the Group is using to provide funding for the future growth of the Company.

Financial Overview

The statutory Financial Statements of Good Energy Group PLC for the year ended 31 December 2013 are set out on pages 21-33 and 36-67, together with explanatory notes and comparisons with previous years where appropriate.

Revenue and Gross Profit

Revenue for the year, at £40.4m, was 43% up on 2012 (£28.2m). Of this, £4.9m was due to the successful sale of two solar farm development sites. The balance of £7.3m was from an increase in customer numbers and the strong performance at our Delabole Wind Farm. Revenue from supply of gas increased by £3m compared with 2012, driven by the 76% growth in gas customers. Revenue from electricity supply and FIT administration combined was up 18% (£4.2m) compared with last year, due to customer growth of 27%, which was moderated by a reduced average consumption per customer.

Gross profit increased by £4.0m (42%) to £13.6m. This is partly due to £1.6m (17%) from electricity and FIT administration and £0.5m (5%) from gas. These entities benefited from strong customer growth. In addition, £1.6m (17%) related to the profit on sale of the solar farms which is net of £1.2m of attributable provisions and early stage write off costs on solar generation projects. Overall, these costs were incurred against a backdrop of two successful site sales in 2013 and a strong pipeline of generation projects (both solar and wind) by the end of the year. This activity is enabling us to continue to build a healthy portfolio of wind and solar generation.

As a result of these factors, gross margin was maintained at 34% (2012: 34%).

[1] *A typical 1MW turbine in the UK produces 2,295,120kWh of electricity per year. Our 8.2MW wind farm is expected to produce 18,819,984Wh of electricity per year, divided by the average consumption of a home (4,266kWh - Renewable UK) equals 4,411 homes. Assumed capacity figure of 26.2% from Digest of UK Energy Statistics (DUKES) 2012 figures, available at www.gov.uk, not based on site specific data.*

Administration Expenses

Growth in our customer numbers and the associated costs to serve the growing customer base are the main reason for a £2.2m (29%) increase in administration costs.

Depreciation charges increased as our Customer Relationship Management system, which seeks to deliver improved customer service, went live and became fully operational in Q4. In addition, investment in recruitment, and staff skills to support all areas of the business increased. Further analysis of the increase in administration expenses is provided in the notes to the Financial Statements (pages 28-33 and 36-67).

Earnings before interest, taxes, depreciation and amortization (EBITDA)

EBITDA of £5.0m has increased by 85% (£2.7m) compared with 2012. This represents 12.4% of consolidated revenue (2012: 9.4%).

Financial Position and Financing

The Consolidated Statement of Financial Position for the Group shows a Shareholders' Equity of £16.5m (2012: £11.1m) representing growth of 49%, due to the equity raise and financial performance in 2013.

Investment in our Hampole wind farm and generation pipeline has supported our increased asset position of £56m (2012: £30m). The diversified funding strategy adopted by the Group resulted in £19.1m of new funds (after costs) being made available throughout the year.

In July 2013, the Group raised £2.7m (before costs), by way of placing an offer on the AIM market of the London Stock Exchange for 2.15m Ordinary Shares. A further £15m (before costs) was raised through the launch of the Good Energy Corporate Bond and £2.7m was drawn down on loans against the construction of Hampole. Operating cash flow was £0.9m positive after £3.5m of investment in generation development sites. The underlying operating cash flow before the investment in generation was £4.4m positive. The net increase in cash was £8.4m with a cash balance of £18.0m at the year-end (2012: £9.5m).

The Group has a long term financing arrangement in place to support investment in its wind farm at Delabole, with a balance of £8.5m at the end of 2013 (2012: £8.9m). The majority of debt interest payable in 2013 was attributable to this loan.

Dividend

The Directors declared an interim dividend of 1.00p per Ordinary Share with a total value of £146,000 (2012: £125,000), which was paid to shareholders on 25 October 2013.

The Directors recommend a final dividend of 2.30p per Ordinary Share with a total value of £337,362 based on issued shares as at 1 April 2014 (2012: £251,000). The final dividend for the year will be paid on 30 May 2014, subject to shareholder approval at the Annual General Meeting, to Ordinary Shareholders on the register on 9 May 2014. The total dividend per Ordinary Share for the year ended 31 December 2013 is 3.30p (2012: 3.00p).

Market & Regulatory Framework

The energy market was subject to considerable regulatory, political and consumer focus during the year. We welcomed this scrutiny which acted as a catalyst to drive customer growth and we anticipate that this much-needed focus will continue throughout 2014 in the build up to the General Election in 2015.

The energy industry regulator recently announced a consultation to consider whether a full market review should be carried out by the Competition and Markets Authority (CMA). We welcome this focus on our sector: it is an opportunity to ensure it is delivering the right competitive environment, which benefits consumers. We are considering the detail of review and its scope, and will participate fully in the inquiry. We look forward to the outcome. In the meantime, the Group will continue to focus its energies on delivering best-in-class services for its customers and working with them to create a more secure, renewable energy future for the UK.

The launch of the Department of Energy and Climate Change Community Energy Strategy in the first quarter of the year lays a useful foundation for developing energy generation and ownership in the heart of communities. We look forward to seeing how the detail of this unfolds and to exploring the opportunities we believe this will present us with.

Employees

As at 31 December 2013, the Group employed 181 people (2012: 157). The Group aims to provide all its employees with a safe and productive working environment. It offers a structured internal training programme through its Fluent in Energy Academy and external courses to enhance employee skills and capabilities. It also has an employee bonus scheme, which seeks to reward staff and is aligned with performance management and value creation. In addition, it operates a defined contribution pension scheme. The Group expects the highest standards of social and commercial behaviour from its employees.

Future developments

Following a strong performance in 2013, the Group is focused on continued growth in all sectors within the electricity, gas and FIT customer markets. Work will continue on integrating people and systems and we expect systems improvements to positively impact trading margins and cost to serve. Investment will be directed towards two key areas: the Good Energy brand and new sources of renewable electricity generation (wind, solar and hydro), to better enable us to achieve 50% of our own renewable electricity supply by 2016. The political focus on the domestic energy market and energy price increases look set to continue through 2014 and beyond. The Group intends to continue to remain active in the political debate over these issues whilst focusing on offering customer value for money, good customer service and a strong renewable ethos.

Juliet Davenport
Chief Executive
7th April 2014

Strategic Report
For the year ended 31 December 2013

The Directors present their strategic report on the Group for the year ended 31 December 2013.

Review of the business

Good Energy Group PLC has continued to perform strongly across all its business areas throughout 2013. Full details of the Group's performance and future developments can be found in the Chief Executive's Overview.

Highlights include:

- Growth of the Group's core electricity, gas and FIT customer bases;
- Development and construction of renewable generation capacity, to support the strategy of supplying 50% of purchased power by 2016;
- Improvement in power trading through direct access to markets and more granular forecasting;
- Implementation of a CRM system to allow operational scalability to support growth;
- Diversification of funding streams for investment in renewable assets.

Revenue increased by 43% to £40.4m and EBITDA increased by 85% to £5.0m. Following successful equity and debt raises throughout the year, an investment of £14.3m was made into generation assets and development projects, growing the total asset position by 87% to £56.0m. At the year end, the Group had £18.0m cash available. Further details on the financial results can be found in the Chief Executive's Overview and in the Financial Statements and notes to the accounts.

Principal Risks and Uncertainties

Principal risks and uncertainties facing the Group are outlined below. The Group maintains a risk register which identifies key risks for the business, the actions agreed by senior management to avoid those risks or mitigate their effects, and assigns specific responsibility for the relevant actions. The register is monitored by the Audit and Risk Management Committee and reviewed annually by the Board.

Political risk

The renewable energy generation industry is subject to national and regional regulatory oversight, such as national and local regulations relating to building codes, safety, environmental protection, utility interconnection and metering and related matters. These regulations and policies have been modified in the past and may be modified in the future. The regulations applicable to the generation of electricity from renewable energy sources may be subject to modifications that may be more restrictive or unfavourable to the wind energy or solar industry. More restrictive or unfavourable regulations, such as an obligation to modify existing renewable energy projects or the implementation of additional inspection and monitoring procedures, could lead to changes in operating conditions that might require increased capital expenditure, increased operating costs or otherwise hinder the development of the renewable energy industry. Any new, government regulations or utility policies pertaining to renewable energy may result in a review of the Group's operating strategy.

Energy price volatility

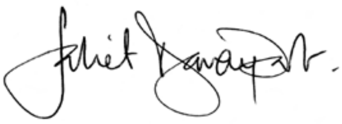
The Group's revenue from energy sales may be affected by fluctuations in energy prices (e.g. the price of wholesale electricity) and the associated costs with buying in any volatile market-place. This in turn would lead to necessary pricing action to be taken by the Group and could result in a loss of customers if other energy providers with larger portfolios were better able to mitigate the increase and remain more competitive.

Financial risks

There exist certain default loan covenants relating to the financing agreement of the Delabole and Hampole wind farms. When the financing was put in place assumptions were used to ensure that the Group has a cushion in the cash flows arising from the wind farms which should ensure that any default is unlikely. Also, the Group has insurance and maintenance agreements in place which mitigate much of the lost revenues from unforeseen operational issues. The £6.5 million Revolving Credit Facility (RCF) with Lloyds TSB Bank PLC contains certain covenants requiring the maintenance of certain EBITDA coverage ratios. If these covenant ratios were breached, advances made under RCF could become repayable.

Other financial risks of the Group are set out in Note 3.

By order of the Board



Juliet Davenport
Chief Executive
7th April 2014

Directors' Report

The Directors submit their report together with the audited consolidated financial statements of the Good Energy group of companies for the year ended 31 December 2013. This Directors' Report includes the Chairman's Statement, the Chief Executive's Overview, the Strategic Report, the Corporate Governance section and the Directors' responsibility statement. The Company is required to set out a fair review of the business of the Group and a description of the principal risks and uncertainties facing the business, which can be found in the Strategic Report on pages 9 to 10. This requirement includes an analysis of the development and performance of the Company's business during the reporting period, and the position of the Group at the end of the reporting period consistent with our size and complexity.

The Directors' Report has been prepared, and is published, in accordance with, and in reliance upon, applicable English company law and the liabilities of the Directors in relation to that report are subject to the limitations and restrictions provided by such law.

General company information

The Group is a public limited company incorporated in the United Kingdom under the Companies Act 1985, and is listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

The Company's registered office and principal place of business is Monkton Reach, Monkton Hill, Chippenham, Wiltshire, SN15 1EE. The Company's registered number is 04000623.

Capital structure

The Group is financed through both equity share capital and debt instruments.

Share capital

As at the 31 December 2013, the Company's issued share capital was 14,667,896 of Ordinary Shares of 5p each. During the year the Company issued 2,145,247 (2012: 4,705,882) Ordinary Shares of 5p each for total consideration of £2,681,559 (2012:£4,000,000) resulting in a share premium of £2,574,296 (2012:£ 3,764,706). Ordinary Shares in the Group carry rights to dividends and are entitled to attend and vote at general meetings. The Company's share register is maintained and managed by Computershare Investor Services PLC for which contact details can be found in our Directors and Corporate Resources section on page 68.

The Company does not have shareholder authority to acquire its own shares. Clarke Willmott Trust Corporation Limited holds in trust for the present and the future beneficiaries of the Good Energy Group Employee Share Option Scheme 387,998 (2012: 776,430) Ordinary Shares of the Company. These are deducted from equity as shown in the Consolidated and Parent Company Statements of Changes in Equity. During the year the trust disposed of 390,832 (2012: 200,000) shares as a result of options exercised and acquired 2,400 (2012: 31,000) shares.

Dividend

The Directors declared an interim dividend of 1.00p per Ordinary Share with a total value of £146,000 (2012: £125,000), which was paid to shareholders on 25 October 2013.

The Directors recommend a final dividend of 2.30p per Ordinary Share with a total value of £337,362 based on issued shares as at 1 April 2014 (2012: £251,000). The final dividend for the year will be paid on 30 May 2014, subject to shareholder approval at the Annual General Meeting, to Ordinary Shareholders on the register on 9 May 2014. The total dividend per Ordinary Share for the year ended 31 December 2013 is 3.30p (2012: 3.00p).

Significant shareholders

Significant shareholders holding over 3% of the issued share capital as at 31 December 2013, other than any Directors and their family as defined in the AIM rules, whose holdings are detailed below are:

	31 December 2013	% of issued share capital	31 December 2012	% of issued share capital
Schroders PLC	**3,059,262**	**20.86%**	2,424,941	19.36%
Legal and General investment Management	**1,176,471**	**8.02%**	1,176,471	9.39%
John Sellers	**640,797**	**4.37%**	664,797	5.31%
Peter Dixon Edwards	**451,098**	**3.08%**	451,098	3.60%
Clarke Willmott Trust Corporation Limited (Trustee of the Good Energy Group Employee Benefit Trust)	**387,998**	**2.65%**	776,430	6.20%

Directors' interests and their interests in the Company's shares

Details of the Company's Directors who served during the year and up to the date of approval of this report (unless otherwise stated) are detailed on page 14.

The interests (all of which are beneficial unless otherwise stated) of the Directors and their families as defined in the AIM Rules in the issued share capital of the parent company are:

	31 December 2013	% of issued share capital	*31 December 2012*	*% of issued share capital*
Martin Edwards	**686,827**	**4.68%**	*686,827*	*5.48%*
Juliet Davenport	**475,194**	**3.24%**	*394,161*	*3.15%*
Garry Peagam	**201,000**	**1.37%**	*36,000*	*0.29%*
Richard Squires	**36,000**	**0.25%**	*28,000*	*0.22%*
John Maltby	**120,000**	**0.82%**	-	-
Francesca Ecsery	**2,400**	**0.02%**	-	-

Notes:

1. Certain of the Directors hold share options for which details are set out in the Directors' Remuneration Report (on page 17-18).
2. In addition to the shareholding of Martin Edwards detailed above, his father Peter Dixon Edwards holds 123,450 Ordinary Shares as trustee of a discretionary trust under which, Martin Edwards is one of the potential beneficiaries.
3. 17,000 Ordinary Shares comprised in the shareholding of Martin Edwards are held by him in trust for the Good Energy Group Employee Benefits Trust.

Good Energy Bonds (Bonds)

On the 2 October 2013, the Group issued an invitation to its corporate bond. The invitation closed on the 24 October and raised the maximum allowable subscription amount of £15 million (before costs). The bonds are non-convertible and non-transferrable and have an initial term of four years. The Bonds carry an interest rate of 7.25% per annum, paid half-yearly. Customers are entitled to an additional 0.25% per annum (gross 7.5% per annum), which is cumulative and payable on the date of maturity. The Bond register is maintained and managed by Computershare Investor Services PLC for which contact details can be found in our Directors' and Corporate Resources section on page 68.

Directors' Indemnity Statement

As permitted by the Group's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial instruments

The Group's financial instruments include bank loans, a corporate bond, finance leases, overdraft and revolving credit facilities. The Group has interest rate swap and forward foreign exchange derivative financial instruments in place. The principal objective of these instruments is to raise funds for general corporate purposes and to manage financial risk. Further details of these instruments are given in Notes 22 and 24 in the Financial Statements.

Events after the balance sheet date

On 28 January 2014, the Group announced final consent for a 49.9MW solar farm in Norfolk. The Board is considering the options available for the site, including potential partners for the possible sale or development of the solar farm by the Group.

Future developments

Details of future developments are given in the Chief Executive's Overview on page 8.

Research and development

Given the nature of the Group's activities it does not carry out any material research and development work.

Annual General Meeting (AGM)

The Group's AGM will be held on 30 April 2014 at 12 noon at The Lansdowne Club, 9 Fitzmaurice Place, Mayfair, London, W1J 5JD.

Corporate Governance

The Group recognises the importance of good corporate governance practices. The Board is familiar with the UK Corporate Governance Code, and although it is not currently required to comply with the Code, it aims to adopt this Corporate Governance framework progressively, and so far as is practicable and appropriate to the size and complexity of the business as the Group increases.

In addition, the Group aims to comply with the Disclosure Rules and Transparency Rules (DTR) 7.1 and 7.2.

The Board and its Committees

Board of Directors

The Board comprises the following individuals:

Executive Directors		Non-Executive Directors	
Juliet Davenport	Chief Executive	John Maltby[2]	Non-Executive Chairman of the Board; Member of the Audit and Remuneration Committees
Garry Peagam[1]	Group Finance Director	Richard Squires	Chair of the Audit and Risk Management Committee
		Martin Edwards	Chair of the Remuneration Committee
		Francesa Ecsery[2]	Member of the Audit and Remuneration Committee; and Chair of the Customer Board

Notes:

1. Garry Peagam will step down as Group Finance Director on 30 April but would remain on the Board as a Non-Executive Director to be re-appointed at the Annual General Meeting. On 31 January 2014 the Group announced that with effect from 1 May 2014, Denise Cockrem will be appointed to the Board as Chief Financial Officer.
2. Independent Non-Executive Directors.
3. The Customer Board is a cross-functional forum set up to regularly review, monitor, discuss and facilitate agreement on matters such as customer vision, customer service and strategy, planning and delivering, and regular reporting against related key performance indicators to the Board.

Operations of the Board

The roles of Chief Executive and Chairman have always been split, with the Chairman operating in a Non-Executive capacity. The Chief Executive is responsible for the day-to-day management and running of the business and is supported by a team of senior management including a Chief Operating Officer, Head of People and Culture and Director for Sales and Development. During the year ended 31 December 2013, there were eight scheduled Board meetings. Additional Board meetings were convened when the Board was required to deal with the review and approval of material matters affecting the Group.

Scheduled meetings review the Group's performance and the Board is responsible for agreeing and reviewing the strategy for the Group, for which it maintains both short term (12 months) and longer term plans (5 year). In addition, it is also responsible for matters relating to Director and employee recruitment and remuneration, audit and accounting policies, risk management, strategy, health and safety and other specific subjects. Directors have the right to request that any concerns they have are recorded in the appropriate committee or Board minutes.

The Board reviews the operational and financial results of the Group on a monthly basis against a pre-agreed set of performance targets operating within the delegated authorities, which are reviewed annually by the Board or as and when changes are required. In addition, the Board receives information obtained through a system of continuous financial planning which is used to better manage profit and cash flow forecasting, and to inform investment decision-making. The formal financial plan for the forthcoming year is set out as a detailed proposition and authorised by the Board prior to the end of each year.

The Remuneration Committee

The members of the Remuneration Committee are John Maltby, Francesca Ecsery and Martin Edwards, the committee convened three times in the year ended 31 December 2013.

The primary duty of the Remuneration Committee is to supervise and advise on behalf of the Board the Group's policy in relation to the remuneration of the Executive Directors and senior managers of the Group. No Director may be involved in any decisions as to their own remuneration. Further details of the Remuneration Committee and remuneration policy are set out in the Directors' Remuneration Report on pages 17 to 18.

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are Richard Squires, John Maltby and Francesca Escery. John Maltby is considered to have recent, relevant financial experience. The Chief Executive and Group Finance Director are normally invited to attend meetings of the committee. For the year ended 2013, the Committee met three times in the year.

The primary duty of the Audit and Risk Management Committee is to oversee the accounting and financial reporting process, the internal accounting practices, external audit arrangements and effectiveness of the Group's risk management and internal control system. The Audit and Risk Management Committee also meets with the Group's external auditors annually to review and agree the auditor services being provided to the Group, including any non-audit services; and also meets with external auditors, without management being present to discuss audit process.

Risk management and internal control

The Board has overall responsibility for the Group's system of internal control. The responsibility for reviewing the effectiveness of its internal control systems have been delegated to the Audit and Risk Management Committee, who reviews the systems and processes for internal control on an annual basis. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives.

Going Concern

The Group and Board closely monitor and manage liquidity. The Directors have taken account of the current financial position of the Group, its anticipated future performance and investment plans in assessing the Group's going concern status. The Directors consider that the Group has adequate resources to continue in operation for the foreseeable future and continue to adopt the going concern basis in preparing the 2013 accounts.

Directors' Responsibilities

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 the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the Company and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of Auditors

PricewaterhouseCoopers LLP acted as auditors for the financial year to 31 December 2013. A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

By order of the Board

David Ford
Company Secretary
7th April 2014

Directors' Remuneration Report

Introduction

This report sets out the information about the remuneration of the Directors of the Company for the year ended 31 December 2013. This report has been prepared in accordance with the requirements for AIM listed companies set out in the Companies Act 2006 and the AIM rules.

Remuneration Committee and policy

Details of the Company's Remuneration Committee are set out on page 15. The Remuneration Committee has agreed a remuneration policy to ensure that the Company is able to attract, retain and motivate its Executive Directors and senior management.

The Group operates in a competitive environment, it therefore sets out to provide competitive remuneration to all its employees, appropriate to the business environment and geographical location.

The Group aims to align the interests of shareholders with those of Directors and senior management by giving the latter the opportunity to build up a shareholding interest in the Company.

Service agreements, notice periods and termination payments

Executive Directors

The service agreements for the Executive Directors are not for a fixed term and may in normal circumstances be terminated on the notice periods listed below:

Name	Position	Date of contract	Notice Period	2013 salary £
Juliet Davenport	Chief Executive	2 August 2007	9 months	180,000
Garry Peagam	Group Finance Director	24 June 2010	9 months	145,000

The Company reserves the right to pay Executive Directors in lieu of notice.

Chairman and Non-Executive Directors

The remuneration of the Chairman of the Company and the Non-Executive Directors consists of fees that are paid monthly in arrears. The Chairman and the Non-Executive Directors did not participate in any bonus scheme or long-term incentive reward schemes, nor did they accrue any pension entitlement.

The key terms of the Non-Executives appointments are as follows:

Director	Date of appointment	Notice period	Fees paid (p.a) 2013 £
John Maltby	15 October 2012	3 months	40,000
Richard Squires	28 June 2011	3 months	27,500
Martin Edwards	7 May 2008	3 months	20,500
Francesca Ecsery	15 November 2012	3 months	32,800

The remuneration of £32,800 to Francesca Ecsery covers her roles as a Non-Executive Director (£20,800) and as Chair of the monthly Customer Board (£12,000).

It is the Board's policy to allow the Executive Directors to accept directorships of other companies provided that they have obtained the consent of the Board.

Salary, annual bonus and benefits

Non-Executive Chairman	Salary/ fees	Pension Contributions	Benefits in kind	Annual Bonus	Total 2013	Total 2012
John Maltby	40,213	-	-	-	**40,213**	*8,529*
Executive Directors						
Juliet Davenport	184,530	19,000	1,902	90,000	**295,432**	*243,056*
Garry Peagam	145,000	15,300	2,798	58,000	**221,098**	*210,709*
Non-Executive Directors						
Richard Squires	27,500	-	-	-	**27,500**	*36,900*
Martin Edwards	20,500	-	-	-	**20,500**	*20,500*
Francesca Ecsery	32,800	-	-	-	**32,800**	*3,056*
Lawrence Churchill	-	-	-	-	**-**	*9,157*
TOTAL	450,543	34,300	4,700	148,000	**637,543**	531,907

Directors' share options

Details of the Directors' share options outstanding at 31 December 2013 are shown below.

Name	Date option granted	Number of options	Option price	Exercised	Cancelled/ surrendered	Options outstanding at 31 December 2013
Juliet Davenport	01/05/2002	130,948	£0.50	13,332	-	117,616
Juliet Davenport	01/06/2004	35,000	£0.75	-	-	35,000
Juliet Davenport	13/02/2012	86,956	£1.15	-	-	86,956
Juliet Davenport	13/02/2012	17,390	£1.15	-	-	17,390
Juliet Davenport	18/09/2012	189,052	£0.50	-	-	189,052
Juliet Davenport	13/07/2013	144,000	£1.25	-	-	144,000
Total		**603,346**		**13,332**	-	**590,014**
Garry Peagam	18/07/2011	200,000	£1.00	200,000	-	-
Garry Peagam	13/02/2012	100,000	£1.15	-	-	100,000
Garry Peagam	13/07/2013	116,000	£1.25	-	-	116,000
Total		**416,000**		**200,000**	**-**	**216,000**
Richard Squires	13/02/2012	75,000	£1.15	-	-	75,000
Overall Total		**1,094,346**		**213,332**	-	**881,014**

On the exercise of options during 2013, the Executive Directors realised a total gain of £262,365 of which £10,865 related to the highest paid Director.

Independent auditors' report to the members of Good Energy Group PLC

Report on the financial statements

Our opinion

In our opinion:

- the financial statements, defined below, give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit and the group's and the parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent company financial statements (the "financial statements"), which are prepared by Good Energy Group PLC, comprise:

- the group and parent company statement of financial position as at 31 December 2013;
- the group income statement and statement of comprehensive income for the year then ended;
- the group and parent company statement of cash flows for the year then ended;
- the group and parent company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report to the members of Good Energy Group PLC (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Colin Bates (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
7th April 2014

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2013

		Note	**2013 £000's**	*2012 £000's*
REVENUE		5	**40,407**	*28,202*
Cost of Sales			**(26,822)**	*(18,653)*
GROSS PROFIT			**13,585**	*9,549*
Administrative Expenses		6	**(9,727)**	*(7,525)*
OPERATING PROFIT		6	**3,858**	*2,024*
Finance Income		10	**116**	*39*
Finance Costs		11	**(719)**	*(688)*
PROFIT BEFORE TAX			**3,255**	*1,375*
Taxation		12	**(586)**	*(191)*
PROFIT FOR THE YEAR			**2,669**	*1,184*
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss				
Net gains on cash flow hedge		24	**328**	-
Other comprehensive income for the year, net of tax			**328**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			**2,997**	1,184
ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY				
Profit			**2,669**	*1,184*
Total comprehensive income			**2,997**	*1,184*
Earnings per share from profit for the year	- Basic	13	**20.9p**	*13.2p*
	- Diluted	13	**19.6p**	*12.6p*

The notes on pages 28 to 33 and 36 to 67 form part of these Financial Statements.

Consolidated Statement of Financial Position

As at 31 December 2013

Company registered no: 04000623

	Note	2013 £000's	2012 £000's
Non-current assets			
Property, plant and equipment	14	**20,112**	*11,012*
Intangible assets	15	**3,478**	*2,938*
Derivative financial instruments	24	**328**	*-*
Total non-current assets		**23,918**	*13,950*
Current assets			
Inventories	17	**6,128**	*2,677*
Trade and other receivables	18	**7,952**	*3,813*
Cash and cash equivalents	19	**17,975**	*9,535*
Total current assets		**32,055**	*16,025*
TOTAL ASSETS		**55,973**	*29,975*
Equity and Liabilities			
Capital and reserves			
Called up share capital	20	**733**	*626*
Share premium account	20	**9,077**	*6,729*
EBT shares		**(236)**	*(470)*
Retained Earnings		**6,890**	*4,167*
Total Equity		**16,464**	*11,052*
Non-current liabilities			
Deferred taxation	21	**738**	*644*
Borrowings	22	**24,667**	*8,659*
Total non--current liabilities		**25,405**	*9,303*
Current liabilities			
Borrowings	22	**674**	*543*
Derivative financial instruments	24	**52**	*-*
Trade and other payables	23	**12,875**	*9,001*
Current tax payable	12	**503**	*76*
Total current liabilities		**14,104**	*9,620*
Total liabilities		**39,509**	*18,923*
TOTAL EQUITY AND LIABILITIES		**55,973**	*29,975*

The Financial Statements on pages 21 to 33 and 36 to 67 were approved by the Board of Directors on 7th April 2014 and signed on its behalf by:

Juliet Davenport
Chief Executive
7th April 2014

The notes on pages 28 to 33 and 36 to 67 form part of these Financial Statements.

Parent Company Statement of Financial Position
As at 31 December 2013
Company registered no: 04000623

	Note	**2013** **£000's**	*2012* *£000's*
Non-current assets			
Investments	16	**27,728**	*8,332*
Intangible assets		**4**	*7*
Total non-current assets		**27,732**	*8,339*
Current assets			
Current tax receivable	12	**-**	*286*
Trade and other receivables	18	**136**	*37*
Cash and cash equivalents	19	**379**	*164*
Total current assets		**515**	*487*
TOTAL ASSETS		**28,247**	*8,826*
Equity and Liabilities			
Capital and reserves			
Called up share capital	20	**733**	*626*
Share premium account	20	**9,077**	*6,729*
EBT shares		**(236)**	*(470)*
Retained Earnings		**1,602**	*1,359*
Total Equity		**11,176**	*8,244*
Non-current liabilities			
Borrowings	22	**14,250**	-
Total non--current liabilities		**14,250**	-
Current liabilities			
Borrowings	22	**1,374**	-
Trade and other payables	23	**1,357**	*582*
Current tax payable	12	**90**	-
Total current liabilities		**2,821**	*582*
Total liabilities		**17,071**	*582*
TOTAL EQUITY AND LIABILITIES		**28,247**	*8,826*

The Financial Statements on pages 21 to 33 and 36 to 67 were approved by the Board of Directors on 7th April 2014 and signed on its behalf by:

Juliet Davenport
Chief Executive
7th April 2014

The notes on pages 28 to 33 and 36 to 67 form part of these Financial Statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2013

	Share Capital £000's	Share Premium £000's	EBT Shares £000's	Retained Earnings £000's	Total £000's
At 1 January 2012	**391**	**3,536**	**(537)**	**3,313**	**6,703**
Profit for the year	-	-	-	1,184	1,184
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**1,184**	**1,184**
Issue of ordinary shares	235	3,765	-	-	4,000
Cost of shares issued in the year	-	(572)	-	-	(572)
Purchase of shares by EBT	-	-	(50)	-	(50)
Sale of shares by EBT	-	-	117	(19)	98
Dividend Paid	-	-	-	(311)	(311)
Total contributions by and distributions to owners of the parent, recognised directly in equity	**235**	**3,193**	**67**	**(330)**	**3,165**
At 31 December 2012	**626**	**6,729**	**(470)**	**4,167**	**11,052**
At 1 January 2013	**626**	**6,729**	**(470)**	**4,167**	**11,052**
Profit for the year	-	-	-	2,669	2,669
Other comprehensive income for the year	-	-	-	328	328
Total comprehensive income for the year	-	**-**	-	**2,997**	**2,997**
Issue of ordinary shares	107	2,574	-	-	2,681
Cost of shares issued in the year	-	(226)	-	-	(226)
Purchase of shares by EBT	-	-	(3)	-	(3)
Sale of shares by EBT	-	-	237	103	340
Dividend Paid	-	-	-	(377)	(377)
Total contributions by and distributions to owners of the parent, recognised directly in equity	**107**	**2,348**	**234**	**(274)**	**2,415**
At 31 December 2013	**733**	**9,077**	**(236)**	**6,890**	**16,464**

The notes on pages 28 to 33 and 36 to 67 form part of these Financial Statements.

Parent Company Statement of Changes in Equity
For the year ended 31 December 2013

	Share Capital £000's	Share Premium £000's	EBT Shares £000's	Retained Earnings £000's	Total £000's
At 1 January 2012	**391**	**3,536**	**(537)**	**1,269**	**4,659**
Profit for the year and total comprehensive income	**-**	**-**	**-**	**420**	**420**
Issue of ordinary shares	235	3,765		-	4,000
Cost of shares issued in the year	-	(572)	-	-	(572)
Purchase of shares by EBT	-	-	(50)	-	(50)
Sale of shares by EBT	-	-	117	(19)	98
Dividend Paid	-	-	-	(311)	(311)
Total contributions by and distributions to owners of the parent, recognised directly in equity	**235**	**3,193**	**67**	**(330)**	**3,165**
At 31 December 2012	**626**	**6,729**	**(470)**	**1,359**	**8,244**
At 1 January 2013	**626**	**6,729**	**(470)**	**1,359**	**8,244**
Profit for the year and total comprehensive income	**-**	**-**	**-**	**517**	**517**
Issue of ordinary shares	107	2,574	-	-	2,681
Cost of shares issued in the year	-	(226)	-	-	(226)
Purchase of shares by EBT	-	-	(3)	-	(3)
Sale of shares by EBT	-	-	237	103	340
Dividend Paid	-	-	-	(377)	(377)
Total contributions by and distributions to owners of the parent, recognised directly in equity	**107**	**2,348**	**234**	**(274)**	**2,415**
At 31 December 2013	**733**	**9,077**	**(236)**	**1,602**	**11,176**

The notes on pages 28 to 33 and 36 to 67 form part of these Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2013

	Note	2013 £000's	*2012 £000's*
Cash flows from operating activities			
Cash generated from operations	26	**938**	*6,045*
Interest received		**116**	*39*
Interest paid		**(647)**	*(688)*
Income tax received/(paid)		**(64)**	*178*
Net cash flows from operating activities		**343**	*5,574*
Cash flows from investing activities			
Acquisitions of property, plant and equipment	14	**(9,364)**	*(275)*
Acquisitions of intangible fixed assets	15	**(1,073)**	*(786)*
Net cash flows used in investing activities		**(10,437)**	*(1,061)*
Cash flows from financing activities			
Payments of dividends	25	**(377)**	*(311)*
Bank financing advanced		**2,433**	*-*
Bank financing repaid		**(390)**	*(369)*
Proceeds from issue of corporate bond	22	**14,229**	*-*
Capital repayments of finance leases		**(153)**	*(143)*
Proceeds from issue of shares		**2,455**	*3,428*
Purchase of own shares		**(3)**	*(50)*
Sale of own shares		**340**	*98*
Net cash flows from financing activities		**18,534**	*2,653*
Net increase in cash and cash equivalents		**8,440**	*7,166*
Cash and cash equivalents at beginning of year		**9,535**	*2,369*
Cash and cash equivalents at end of year		**17,975**	*9,535*

The notes on pages 28 to 33 and 36 to 67 form part of these Financial Statements.

Parent Company Statement of Cash Flows
For the year ended 31 December 2013

	Note	2013 £000's	2012 £000's
Cash flows from operating activities			
Cash generated from operations	26	1,224	(1,082)
Interest received		185	8
Interest paid		(89)	-
Income tax paid		(1)	-
Net cash flows from/(used in) operating activities		1,319	(1,074)
Cash flows from investing activities			
Purchase of subsidiary company		(3,014)	-
Acquisitions of intangible fixed assets		-	(9)
Net cash flows used in investing activities		(3,014)	(9)
Cash flows from financing activities			
Payment of dividends	25	(377)	(311)
Intercompany loans		(14,734)	(2,023)
Proceeds from issue of corporate bond	22	14,229	-
Proceeds from issue of shares	20	2,455	3,428
Purchase of own shares		(3)	(50)
Sale of own shares		340	98
Net cash flows (used in)/from financing activities		1,910	1,142
Net increase in cash and cash equivalents		215	59
Cash and cash equivalents at beginning of year		164	105
Cash and cash equivalents at end of year		379	164

The notes on pages 28 to 33 and 36 to 67 form part of these Financial Statements.

Notes to the Financial Statements
For the year ended 31 December 2013

1. General Information

Good Energy Group PLC is listed on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom.

The principal activity of Good Energy Group PLC is that of a holding and management company to the Group.

The principal activities of its subsidiaries are the purchase, generation and sale of electricity from renewable sources, the sale of gas and services relating to micro-renewable generation and the development of new electricity generation sites.

The purpose of the Annual Report and Financial Statements is to provide information to members of the Company. It contains certain forward looking statements relating to the operations, performance and financial condition of the Group. By their nature these statements involve uncertainty since future events and circumstances can differ from those anticipated. Nothing in the Annual Report and Financial Statements should be construed as a profit forecast.

These Financial Statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

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

2. Summary of Significant Accounting Policies

2.1 Basis of preparation of Financial Statements

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IFRISIC) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared on a going concern basis and under the historical cost convention.

The preparation of Financial Statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on management's reasonable knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The critical accounting judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in note 4 and the following accounting policy notes: Revenue recognition (2.5), Intangible assets (2.6), Inventories (2.10) and Credit risk (3.1.3).

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

2.2 Going Concern

The Group meets its day to day capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over the (a) the level of demand for the Group's products and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections , taking account of the reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. Further information on the Group's borrowings can be found in note 22.

2.3 Change in Accounting Policies and Disclosures

Adoption of new and revised accounting standards

The Group has adopted the following new and amended IFRSs as of 1 January 2013:

	Effective date: Accounting periods commencing on or after
IFRS 13, 'Fair value measurement'	1 January 2013
Annual improvements 2011	1 January 2013
Amendments to IFRS 1, 'First time adoption', on government loans	1 January 2013
Amendment to IFRS 1, 'First time adoption' on fixed dates and hyperinflation	1 January 2013
Amendment to IFRS 7, 'Financial instruments: Disclosures' on offsetting financial assets and financial liabilities	1 January 2013
Amendment to IAS 12, 'Income taxes' on deferred tax	1 January 2013
Amendment to IAS 19, 'Employee benefits'	1 January 2013
Amendment to IAS 1, 'Financial statement presentation'	1 January 2013

The adoption of these standards and interpretations have had no material impact on the Financial Statements of Good Energy Group PLC, with relevant changes impacting on presentational aspects only.

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

At the date of authorisation of these Financial Statements, the following standards and relevant interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective, and have not been early adopted by the Group:

	Effective date: Accounting periods commencing on or after
IFRS 10, 'Consolidated financial statements'	1 January 2014
IFRS 11, 'Joint arrangements'	1 January 2014
IFRS 12, 'Disclosures of interests in other entities'	1 January 2014
Amendment to IFRS 10, 11, and 12 on transition guidance	1 January 2014
IAS 27 (revised 2011) 'Separate financial statements'	1 January 2014
IAS 28 (revised 2011) 'Associates and joint ventures'	1 January 2014
Amendment to IAS 32, 'Financial instruments Presentation' on offsetting financial assets and financial liabilities	1 January 2014
Amendment to IFRS 10, 'Consolidated financial statements ' IFRS 12 and IAS 27 for investment entities	1 January 2014
IFRS 9, 'Financial instruments' – classification and measurement	1 January 2014
Amendments to IFRS 9, 'Financial instruments' – regarding hedge accounting	1 January 2014
Amendments to IAS 36, 'Impairment of assets'	1 January 2014
Amendment to IAS 39, 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting	1 January 2014
Amendment to IAS 19 regarding defined benefits plans	1 January 2014
Annual improvements 2012	1 January 2014
Annual improvements 2013	1 January 2014
IFRIC 21, 'Levies'	1 January 2014

The adoption of these standards and interpretations are not expected to have a material impact on the Financial Statements of Good Energy Group PLC in the period they are applied.

2.4 Basis of Consolidation

The Group Financial Statements incorporate the Financial Statements of the Company and enterprises controlled by the Company (and its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The acquisition of subsidiaries is accounted for using the purchase method. On acquisition, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values on the date of acquisition. The interest of non-controlling minority shareholders is stated at the minority's proportion of the fair values of the identifiable assets, liabilities and contingent liabilities recognised. Consideration payable on acquisition is measured at fair value.

For business combinations made after 1 July 2009, costs directly attributable to the business combination are not included in the measurement of cost, but expensed in the income statement in line with IFRS 3 (revised).

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Intercompany transactions and balances between Group enterprises are eliminated on Consolidation.

2.5 Revenue Recognition

Revenue represents the fair value of the consideration received or receivable for the provision of goods and services which fall within the Group's ordinary activities, excluding transactions with or between subsidiaries. All revenue and profit before tax arose within the United Kingdom.

Revenue represents amounts recoverable from customers for supply of gas, electricity generation of power and sale of generation development sites and is measured at the fair value of the consideration received or receivable, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the group's activities, as described below.

2.5.1 Power supply

Revenue for the supply of electricity is accrued based on industry data flows and national grid data. These include an estimate of power used based on the estimated annual consumption of each customer. Accrued income is superseded when customer meter reads are received at which point estimates are adjusted to actual usage.

For gas, revenue is accrued based on information received from the group's gas shipper, which includes details of all the sites held, their estimated annual quantities of gas used adjusted by a pre-determined weather correction factor. This information is subsequently adjusted; and invoiced based on customer and industry meter reads.

For electricity and gas supply, payment is collected either as a direct debit or paid on receipt of bill in arrears. Overdue amounts are reviewed regularly for impairment and provision made as necessary.

2.5.2 Feed-in Tariff (FIT) administration services

Good Energy provide FIT administration services to micro-generators who are signed up to the FIT scheme. For FIT services, revenue is earned from OFGEM for administering the scheme. For FIT services, revenue is recognised in two parts; there is an initial fee paid by OFGEM for taking on a generator, and then an ongoing amount that is received annually for provision of FIT services. The initial fee is spread over the 'take on' period for a new customer and the ongoing fee that is received is spread over the 12 month compliance period.

2.5.3 Renewable Obligation Certificates (ROCs) revenue recognition

ROCs are awarded to the Group from OFGEM based on generation of power. These ROCs are sold on receipt of certificate from OFGEM allowing transfer of title.

The amount of revenue recognised on sale is in accordance with a contractual agreement where the pricing is based on OFGEM's minimum ROC value (the buy-out) and a prudent estimate of the re-cycle element of the final value of a ROC once all energy suppliers have complied or paid the penalty for non-compliance with the renewables obligation (the recycle). A final adjustment to ROC revenue and profit is recognised once OFGEM have announced the final out-turn ROC price.

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

2.5.4 Generation development site revenue recognition

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

2.6 Intangible assets and amortisation

Goodwill represents the excess of the cost of acquisition of a business combination over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the business acquired at the date of acquisition and is carried as an indefinite life asset. Goodwill is initially recognised at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Gains and losses on disposal of a business include the carrying amount of goodwill relating to the business sold.

At the date of acquisition, the amount of goodwill is allocated to Cash Generating Units ("CGUs") for the purpose of impairment testing and is tested annually for impairment, or more frequently if there is an indication that the value of the goodwill may be impaired.

Amortisation of intangible assets is included in the Consolidated Statement of Comprehensive Income in 'Administrative Expenses'.

2.6.1 Definite Life Intangible assets

Definite life intangible assets comprise software licences and website development costs, which meet the criteria of IAS 38 "Intangible assets". The software licences and website development costs are carried at cost less accumulated amortisation and impairment losses. Cost comprises purchase price from third parties as well as directly attributable internally generated development costs where relevant.

2.6.2 Indefinite Life Intangible assets

The Power Supply Licence is held as an indefinite life intangible according to the criteria of IAS 38 "Intangible assets". The Power Supply Licence is carried at cost less accumulated impairment losses. Cost comprises purchase price from third parties as well as directly attributable internally generated development costs where relevant.

2.6.3 Amortisation

Amortisation on definite life intangible assets is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives for intangibles with definite lives are as follows:

Software Licenses	over the shorter of the lease term or up to 10 years
Website development costs	between 2 and 5 years

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

2.6.4 Impairment

The Directors regularly review the intangible assets for impairment and provision is made if necessary. Assets that have an indefinite useful life, for example goodwill and the power supply licence are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fittings & equipment	between 3 and 5 years
Leasehold improvements	over the life of the lease, until 2016
Turbines & ancillaries	24 years
Assets under construction	24 years from operational start date

The useful economic lives of assets and their residual values are reviewed on an annual basis and revised where considered appropriate. The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstance indicate that the carrying value may not be recoverable.

2.8 Leases

Assets financed by leasing agreements that give rights approximating to ownership (finance leases) are capitalised at their fair value and depreciation or amortisation is provided over the lower of the useful life and term of the lease. The capital elements of future obligations under finance leases are included as liabilities in the Statement of Financial Position and the current year's interest element, having been allocated to accounting periods to give a constant periodic rate of charge on the outstanding liability, is charged to the Statement of Comprehensive Income.

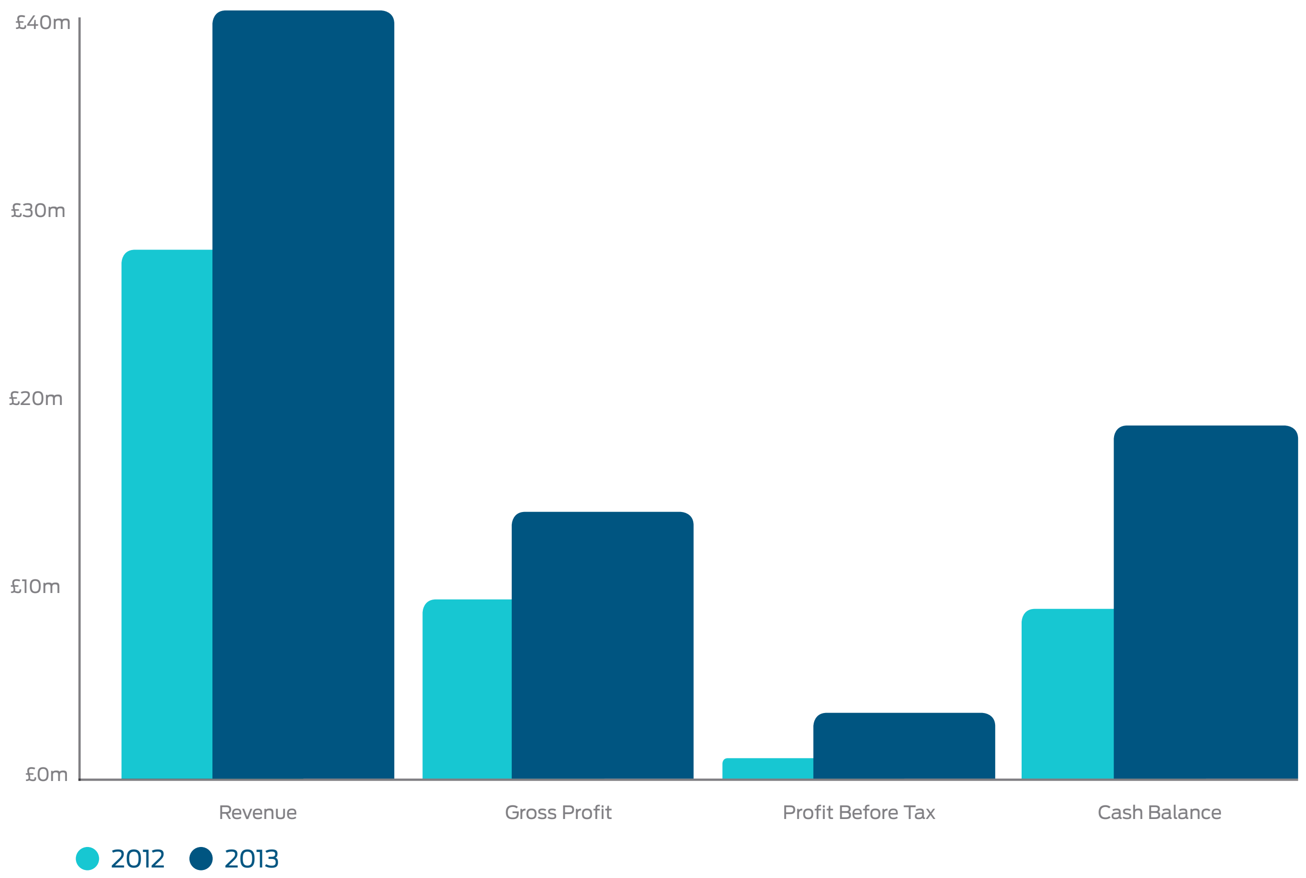
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease.

2.9 Pensions

The Group operates a defined contribution pension scheme. Under this scheme the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. The pension charge for the year represents the amounts payable by the Group in respect of the year.

01 Good Energy's solar and wind projects' footprint

02 Financial highlights



03 Funding highlights

£15 million bond raise

80% are existing customers

04 Customers

40,000 Electricity customers

15,000 Gas customers

59,000 Feed-in Tariff customers

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

2.10 Inventories

2.10.1 Renewable Obligation Certificates

Under the provisions of the Utilities Act 2000, all electricity suppliers are required to procure a set percentage of their supplies from accredited renewable electricity generators. This obligation can be fulfilled by the purchase and surrender of ROCs originally issued to generators, or by making payments to OFGEM who then recycle the payments to purchasers of ROCs. Notwithstanding that Good Energy Limited, a Subsidiary company, supplies electricity sourced entirely from renewable generation, its percentage obligation to submit ROCs is set by OFGEM. The cost obligation is recognised as electricity is supplied and charged as a cost of sale in the Consolidated Statement of Comprehensive Income. Any gains or losses on disposal of ROCs which are in excess of the Group's compliance obligations are included as an adjustment to the compliance cost included within cost of sales. ROCs are valued at the lower of purchase cost and estimated realisable value.

2.10.2 Generation Development Sites

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

2.11 Current and Deferred Taxation

The tax expense represents the sum of the tax currently payable and Deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

2.12 Financial instruments

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

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

2.12.1 Loans and receivables

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables),but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are shown inclusive of unbilled amounts to customers and of payments made in advance by customers, reflecting the underlying nature of customer account balances.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

2.12.2 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Details of the Group's equity are included in note 20.

2.12.3 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the course of ordinary business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently held at amortised cost.

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

2.12.4 Borrowings

The Group expenses borrowing costs in the period the costs are incurred. Where borrowing costs are attributable to the acquisition, construction or production of a qualifying asset, such costs are capitalised as part of the specific asset. Details of the Group's borrowings are included in note 22.

2.13 Share based payments

The Group applies IFRS 2 to share based payments. The Group operates a share-based payment compensation plan, under which the entity grants key employees the option to purchase shares in the Company at a specified price maintained for a certain duration.

The group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions; (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity.

When the options are exercised, and the company issues new shares, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.14 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors. The Board of Directors review the Group's internal reporting in order to assess performance and allocate resources.

2.15 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date of contract and subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

At inception, the Group documents the relationship between the hedging instruments and hedged items as well as risk management objectives and its strategy for undertaking hedging transactions. The Group also documents, at inception and on-going, its assessment of whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Notes to the Financial Statements
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies (continued)

The fair values of derivative financial instruments and the movements on the hedging reserve in other comprehensive income ('OCI') are shown in note 24. The full fair value of hedging derivatives are classified as non-current assets since the maturity of the hedged items is more than 12 months. The trading derivatives are classified as current liabilities.

2.15.1 Cash flow hedge

The effective portion of the changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'Finance Costs'.

2.16 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Interest Income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rates.

2.18 Dividend distribution

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

3. Financial and capital risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including currency risk, cash flow and fair value interest rate risk and commodity price risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

3.1.1 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The Group has cash resources available to it and prepares, in the operating entities of the Group, forecasts for the forthcoming year which indicate that in the Directors' opinion it will have sufficient resources to fund the continuation of trade. The Group monitors cash flow forecasts on a 'rolling forecast' basis to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so as not to breach borrowing limits or covenants.

Notes to the Financial Statements
For the year ended 31 December 2013

3. Financial and capital risk management (continued)

A liquidity analysis of financial instruments is provided below:-

Parent Company 31 December 2013	Less than 1 year £000's	Between 1 and 2 years £000's	Between 2 and 5 years £000's	Over 5 years £000's
Corporate bond	1,113	1,113	17,226	-
Loan from group companies	1,374	-	-	-
Trade and other payables	1,232	-	-	-
Total	3,719	1,113	17,226	-

Parent Company 31 December 2012	Less than 1 year £000's	Between 1 and 2 years £000's	Between 2 and 5 years £000's	Over 5 years £000's
Trade and other payables	*582*	-	-	-
Total	*582*	-	-	-

Consolidated 31 December 2013	Less than 1 year £000's	Between 1 and 2 years £000's	Between 2 and 5 years £000's	Over 5 years £000's
Finance lease liabilities	125	-	-	-
Bank loans	1,294	1,379	5,369	8,147
Corporate bond	1,113	1,113	17,226	-
Trade and other payables	13,148	-	-	-
Total	15,680	2,492	22,595	8,147

Consolidated 31 December 2012	Less than 1 year £000's	Between 1 and 2 years £000's	Between 2 and 5 years £000's	Over 5 years £000's
Finance lease liabilities	*166*	*125*	-	-
Bank loans	*1,022*	*1,038*	*2,893*	*9,141*
Trade and other payables	*8,885*	-	-	-
Total	*10,073*	*1,163*	*2,893*	*9,141*

3.1.2 Market Risk

3.1.2a Currency risk

The Group is exposed to foreign exchange risk arising from the purchase of capital equipment items from European countries. The primary currency exposure is with respect to the Euro. Management have set up a policy to forward buy Euros against major contracts to reduce foreign exchange exposure.

Notes to the Financial Statements
For the year ended 31 December 2013

3. Financial and capital risk management (continued)

The only currency exposure is with respect to the Euro and the UK pound and relates solely to Management setting a policy to forward buy Euros against the purchase of windfarm machinery from European countries. The forward currency contracts are matched to the contractual payment dates related to this machinery. At 31 December 2013, if the currency had weakened/strengthened by 10% against the Euro with all other variables held constant, post tax profit for the year would have been £264,963/£216,788 (2012: £nil/£nil), higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated accruals. Profit is more sensitive to movement in Euro exchange rates in 2013 than 2012 because of the increased amount of Euro denominated borrowing.

3.1.2b Cash flow and fair value interest rate risk

The financial risk is the risk to the Group's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. For short term bank overdraft facilities, the Group does not use derivative instruments to reduce its exposure to interest rate fluctuations as the policy of the Group is not to rely on short term borrowing facilities for any significant duration. The Directors use interest rate swaps if they consider their exposure to interest rate risk to be material. For long term borrowings, the Group uses interest rate swaps to fix the interest rate payable on these material balances in order to mitigate the risk of any fluctuations in interest rates. As all material interest rate risks have been effectively hedged as at 31 December 2013, interest rate exposure scenarios are not required to be simulated.

3.1.2c Commodity price risk

The Group's operations results in exposure to fluctuations in energy prices. Management monitors energy prices and analyses supply and demand volumes to manage exposure to these risks. The Group typically buys power forwards in order to mitigate some of the risk of commodity price fluctuations.

If the wholesale market moves significantly upwards or downwards, the price risk to the Group will depend upon a number of factors including the excess or deficiency of power being supplied by Renewable Power Purchase contracts in place at the time. The Group may be required to pass on the price risk to customers. Retail prices can be amended with 30 days advance notification to customers. The Group closely monitors movements in the wholesale market and assess trends so it is ready to take necessary action when required.

3.1.3 Credit risk

The Group's exposure to credit risk arises from its receivables from customers. At 31 December 2013 and 2012, the Group's trade and other receivables were classed as due within one year, details of which are included in note 18. The Group's policy is to undertake credit checks where appropriate on new customers and to provide for doubtful debts based on estimated irrecoverable amounts determined by reference to specific circumstances and past default experience. Credit risk is also in part mitigated by the policy to offer direct debit as a preferred method payment for customers. At the end of the reporting period the Directors have provided for specific doubtful debts and believe that there is no further credit risk. Should the level of bad debt increase by 0.25 per cent, this would have an impact of £50,000 on the Statement of Comprehensive Income.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Directors monitor credit quality of the institutions used when considering which banks and financial institutions funds should be placed with.

Notes to the Financial Statements
For the year ended 31 December 2013

3. Financial and capital risk management (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order, in due course, to provide returns to shareholders, and to maintain an optimal capital structure. The Group monitors capital on the basis of the gearing ratio calculated as net debt divided by total capital (equity plus net debt). The capital structure of the Group is as follows:

	Note	2013 £000's	*2012 £000's*
Total borrowings	22	**25,341**	*9,202*
Less: cash and cash equivalents	19	**(17,975)**	*(9,535)*
Net debt		**7,366**	*(333)*
Total equity		**16,464**	*11,052*
Total capital		**23,830**	*10,718*
Gearing ratio		**30.9%**	*n/a*

The Group's borrowings are subject to maintaining covenants as defined by the debt funder. Throughout the year ended 31 December 2013 the Group complied with all external borrowing covenants and Management monitors the continued compliance with these covenants on a monthly basis.

3.3 Fair value estimation

The following table presents the Group's financial assets and liabilities that are measured at fair value (by valuation method) at 31 December 2013.

The fair value of financial instruments used by the Group is determined by using valuation techniques (level 2) since the instruments are not traded in an active market (eg over the counter derivatives). The valuation techniques used maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs are required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to fair value financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to the present value;

Other techniques (eg discounted cash flow analysis) are used to determine fair value for remaining financial instruments.The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2013. There is no comparative table for 2012 as no such instruments were held at this time.

Notes to the Financial Statements
For the year ended 31 December 2013

3. Financial and capital risk management (continued)

	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
Assets				
Derivatives used for hedging				
Interest rate contracts	-	328	-	*328*
Total assets		**328**	**-**	**328**
Liabilities				
Derivatives used for hedging				
Foreign exchange contracts	-	52	-	52
Total Liabilities	-	**52**	-	**52**

There were no transfers between levels during the year.

4. Critical accounting estimates

In the process of applying the Group's accounting policies, management has to make judgements and estimates that have a significant effect on the amounts recognised in the Financial Information. These estimates and judgements are evaluated continually and are based on historical experience and other factors, including expectations of future events. The most critical of these accounting judgements and estimates are noted. Given the nature of the estimates and judgements made, unless explicitly stated otherwise, it is not appropriate to provide a sensitivity analysis of the judgements and estimates noted.

4.1 Revenue recognition

Revenue 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 will have been estimated by using historical consumption patterns and data available, and takes into consideration industry reconciliation processes, upon which the group takes a prudent position until final reconciliation data is available from the industry.

4.2 Power purchase costs

Power purchase costs can typically take 14 months to be finalised due to the processes that the energy market has to complete in order to finalise generation and consumption data for any one particular month. Therefore there is an element of power purchase costs that needs to be estimated based on a combination of in-house and industry data that is available at any particular point in time.

4.3 Inventories

The Group carries ROCs as stock in its balance sheet. These are valued at the lower of cost or estimated realisable value. Gains or losses made on ROCs which are subsequently sold, are only recognised in the Statement of Comprehensive Income when they crystallise.

The final out-turn value of a ROC is only published by OFGEM in October following the compliance year (April to March) which may require a final adjustment to gains or losses on the sale or purchase of ROCs previously recognised in the Consolidated Statement of Comprehensive Income.

Notes to the Financial Statements
For the year ended 31 December 2013

4. Critical accounting estimates (continued)

4.4 Consideration of the impairment of Goodwill and other indefinite lived intangible assets

The Group test annually whether Goodwill and other indefinite lived intangible assets has suffered any impairment, in accordance with the accounting policy with detailed disclosure in note 15. In assessing for impairment, assets that do not generate independent cash flows are allocated to an appropriate cash generating unit (CGU).

The recoverable amount of the assets, or the appropriate CGU, is measured as the higher of their fair value less costs to sell and value in use. Value in use calculations require the estimation of future cash flows to be derived from the respective CGUs and to select and an appropriate discount rate in order to calculate their present value.

The estimation of the timing and value of underlying projected cash flows and the selection of appropriate discount rates involves management judgement. Subsequent changes to these estimates or judgements may impact the carrying value of the assets within the respective CGUs.

4.5 Provisions for bad and doubtful debt

The assessments undertaken in recognising provisions and contingencies have been made in accordance with IAS 39. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of any loss is recognised in the income statement within administrative expenses. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

5. Segmental Analysis

The chief operating decision-maker has been identified as the Board of Directors (the 'Board'). The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Board considers the business from a business class perspective, with each of the main trading subsidiaries accounting for each of the business classes. The main segments are:-

- Electricity supply and FIT administration
- Gas supply
- Electricity generation
- Generation development
- Holding companies, being the activity of Good Energy Group PLC

Notes to the Financial Statements
For the year ended 31 December 2013

5. Segmental Analysis (continued)

The Board assesses the performance of the operating segments based primarily on summary Financial Statements, extracts of which are reproduced below. An analysis of profit and loss, assets and liabilities and additions to non-current asset, by class of business, with a reconciliation of segmental analysis to reported results follows:

Year ended 31 December 2013	Electricity supply and FIT administrations £000's	Gas supply £000's	Electricity Generation £000's	Generation Development £000's	Holding Companies £000's	Consolidation Adjustments £000's	Total £000's
Revenue							
Revenue from external customers	27,316	7,032	1,112	4,947	-	-	40,407
Inter-segment revenue	-	-	1,369	-	-	(1,369)	-
Total Revenue	**27,316**	**7,032**	**2,481**	**4,947**	**-**	**(1,369)**	**40,407**
Expenditure							
Cost of sales	(18,392)	(5,619)	(833)	(3,347)	-	1,369	(26,822)
Administrative expenses	(5,998)	(746)	(188)	(977)	(1,137)	-	(9,046)
Depreciation & amortisation	(674)	-	-	(4)	(3)	-	(681)
Operating profit/(loss)	**2,252**	**667**	**1,460**	**619**	**(1,140)**	**-**	**3,858**
Net finance income/(costs)	150	8	(652)	(185)	76	-	(603)
Profit/(loss) before tax	**2,402**	**675**	**808**	**434**	**(1,064)**	**-**	**3,255**
Taxation	(514)	(167)	(83)	281	(103)		(586)
Net profit / (loss) for year	**1,888**	**508**	**725**	**715**	**(1,167)**	**-**	**2,669**
Segments assets & liabilities							
Segment assets	25,686	2,174	20,738	4,503	28,248	(25,376)	55,973
Segment liabilities	20,066	1,293	16,667	6,657	17,072	(22,246)	39,509
Net assets/ (liabilities)	**5,620**	**881**	**4,071**	**(2,154)**	**11,176**	**(3,130)**	**16,464**
Additions to non-current assets	**1,347**	**2**	**9,453**	**6**	**-**	**-**	**10,808**

The Generation development segment is a new business segment recognised in the Group in 2013. There is no comparative segment for 2012.

Notes to the Financial Statements
For the year ended 31 December 2013

5. Segmental Analysis (continued)

Year ended 31 December 2012	Electricity supply and FIT administration £000's	Gas supply £000's	Electricity Generation £000's	Holding Companies £000's	Consolidation Adjustments £000's	Total £000's
Revenue						
Revenue from external customers	23,100	3,998	1,086	18	-	28,202
Inter-segment revenue	-	-	1,208	-	(1,208)	-
Total Revenue	23,100	3,998	2,294	18	(1,208)	28,202
Expenditure						
Cost of sales	(15,810)	(3,134)	(917)	-	1,208	(18,653)
Administrative expenses	(4,884)	(651)	(119)	(1,729)	-	(7,383)
Depreciation & amortisation	(137)	-	-	(5)	-	(142)
Operating profit/(loss)	2,269	213	1,258	(1,716)	-	2,024
Net finance income/(costs)	4	6	(657)	(2)	-	(649)
Profit/(loss) before tax	2,273	219	601	(1,718)	-	1,375
Taxation	(427)	(44)	(143)	423	-	(191)
Net profit/(loss) for year	1,846	175	458	(1,295)	-	1,184
Segments assets & liabilities						
Segment assets	14,753	1,257	13,303	8,312	(7,650)	29,975
Segment liabilities	(11,003)	(865)	(10,160)	(746)	3,851	(18,923)
Net assets/(liabilities)	3,750	392	3,143	7,565	(3,799)	11,052
Additions to non-current assets	1,048	-	4	3,099	(3,090)	1,061

All turnover arose within the United Kingdom.

Consolidation adjustments relate to intercompany sales of generated electricity and the elimination of intercompany balances.

Notes to the Financial Statements
For the year ended 31 December 2013

6. Operating Profit and Administrative Expenses

	2013 £000's	*2012* *£000's*
The operating profit is stated after charging:		
Depreciation of property, plant and equipment	**634**	*559*
Amortisation of intangible assets	**533**	*75*
Operating lease rentals	**315**	*263*
Auditors' Remuneration		
Audit of parent and consolidated	**15**	*10*
Audit of subsidiaries	**56**	*50*
Audit related assurance services	**12**	*110*
Subtotal (audit)	**83**	*170*
Other services-Financial statement preparation	**11**	*10*
Tax	**34**	*15*
Subtotal (non-audit)	**45**	*25*
The administrative expenses comprise the following:		
Staff costs	**4,753**	*4,099*
Rent and office costs	**2,174**	*1,248*
Marketing costs	**836**	*697*
Professional fees and bank charges	**906**	*762*
Bad Debts	**377**	*577*
Depreciation and amortisation	**681**	*142*
Total	**9,727**	*7,525*

7. Profit of the Parent Company

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the Parent Company is not presented as part of these Financial Statements. The Parent Company's profit for the financial year was £517,592 (2012:£420,025).

Notes to the Financial Statements
For the year ended 31 December 2013

8. Staff costs

Staff costs, including Directors' remuneration, were as follows:

	2013 £000's	2012 £000's
Wages and salaries	4,388	3,472
Social security costs	444	419
Share based payments	39	-
Other pension costs	218	208
Total	5,089	4,099

Details of share based payments can be found in note 27

The average monthly number of employees, including the Directors, during the year was as follows:

	2013 Number	2012 Number
Operations	71	63
Business services	94	67
Total management and administration	165	130

9. Directors' and Key Management Remuneration

Directors' and Key Management emoluments	2013 £000's	2012 £000's
Aggregate emoluments	761	504
Contributions to money purchase pension schemes	43	28

Key management are considered to be the Directors of Good Energy Group PLC and the Director of Operations in Good Energy Limited. The emoluments relating to the Director of Operations are included in the table above.

During the year retirement benefits were accruing to 2 Directors of the Group (2012: 2) in respect of money purchase pension schemes.

In respect of the highest paid Director, the Group paid remuneration of £276,432 (2012: £228,056), and made contributions to the money purchase pension scheme of £19,000 (2012: £15,000).

Individual remuneration for the Directors is set by the Remuneration Committee of the Board which consists entirely of Non-Executive Directors. Appropriate Keyman insurance policies are in place.

Details of Directors' emoluments are given in the Directors' remuneration report on page 18.

10. Finance Income

	2013 £000's	2012 £000's
Bank and other interest receivable	116	39

Notes to the Financial Statements
For the year ended 31 December 2013

11. Finance Costs

	2013 £000's	*2012 £000's*
On bank loans and overdrafts	725	*664*
On corporate bond	125	-
Other interest payable	13	*24*
Fair value losses on foreign currency forward contracts	52	-
Amortisation of debt issue cost	20	-
Total finance costs	935	*688*
Less: amounts capitalised on qualifying assets	(216)	-
Total	719	*688*

12. Taxation

	2013 £000's	*2012 £000's*
Analysis of tax charge in year		
Current tax (see note below)		
Current Tax on profits for the year	537	*76*
Adjustments in respect of prior years	(46)	*(132)*
Total current tax	491	*(56)*
Deferred tax		
Origination and reversal of temporary differences	176	*258*
Adjustments in respect of prior years	(81)	*(11)*
Total deferred tax (see note 21)	95	*247*
Tax on profit on ordinary activities	586	*191*

Notes to the Financial Statements
For the year ended 31 December 2013
12. Taxation (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is lower (2012:lower) than the standard weighted average rate of Corporation Tax in the UK of 23.25% (2012: 24.5%). The differences are explained as follows:

	2013 £000's	2012 £000's
Profit before tax	**3,255**	*1,375*
Profit before tax multiplied by the weighted average rate of Corporation Tax in the UK of 23.25% (2012: 24.5%)	**756**	*337*
Tax effects of:		
Expenses not deductible for tax purposes	**27**	*28*
Research and development enhanced relief	**-**	*(15)*
Effects in changes in tax rate	**(29)**	*(17)*
Losses utilised	**(41)**	-
Prior year adjustments - current tax	**(46)**	*(132)*
Prior year adjustment - deferred tax	**(81)**	*(10)*
Total tax charge for year (see note above)	**586**	*191*

Factors that may affect future tax charges

During the year, further reductions to the main corporation tax rate have been substantively enacted to reduce the rate from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. As the reductions were substantively enacted at the balance sheet date the relevant deferred tax balances have been re-measured at 20%. Apart from these changes, the factors that may affect future tax charges are expected to be similar to those in 2013.

Corporation tax payable/(recoverable) as per Statement of Financial Position

	Parent Company		Consolidated	
	2013 £000's	2012 £000's	2013 £000's	2012 £000's
UK Corporation Tax on profits for the year	**90**	(286)	**503**	76

Notes to the Financial Statements
For the year ended 31 December 2013

13. Earnings per Ordinary Share

The calculation of basic earnings per share at 31 December 2013 was based on the net profit attributable to owners of the parent of £2,669,000 (2012: £1,184,175) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2013 of 12,784,912 (2012:8,991,576) after excluding the shares held by Clarke Willmott Trust Corporation Limited in trust for the Good Energy Group Employee Benefit Trust.

The calculation of diluted earnings per share at 31 December 2013 was based on the net profit attributable to owners of the parent of £2,669,000 (2012: £1,184,175) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2013 of 13,600,855 (2012:9,375,514), calculated as follows:

	Consolidated	
	2013 (number)	*2012 (number)*
Basic weighted average number of ordinary shares	**12,784,912**	*8,991,576*
Dilutive potential Ordinary Shares:	**815,943**	*383,938*
Weighted average number of Ordinary Shares (diluted)	**13,600,855**	*9,375,514*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. The Company has one category of dilutive potential ordinary shares, share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated in this way is compared with the number of shares that would have been issued assuming exercise of the share options.

Notes to the Financial Statements
For the year ended 31 December 2013

14. Property, plant and equipment

Consolidated Year ended 31 December 2013	Leasehold improvements £000's	Furniture, fittings & equipment £000's	Turbines and ancillaries £000's	Assets under construction £000's	Total £000's
Cost					
At 1 January 2013	111	799	11,729	-	12,639
Additions	101	181	4	9,449	9,735
At 31 December 2013	**212**	**980**	**11,733**	**9,449**	**22,374**
Accumulated depreciation					
At 1 January 2013	(69)	(558)	(1,001)	-	(1,628)
Charge for the year	(34)	(114)	(486)	-	(634)
At 31 December 2013	**(103)**	**(672)**	**(1,487)**	**-**	**(2,262)**
Net book value					
At 1 January 2013	42	241	10,728	-	11,012
At 31 December 2013	**109**	**308**	**10,246**	**9,449**	**20,112**

Consolidated Year ended 31 December 2012	Leasehold improvements £000's	Furniture, fittings & equipment £000's	Turbines and ancillaries £000's	Assets under construction £000's	Total £000's
Cost					
At 1 January 2012	*94*	*545*	*11,725*	-	*12,364*
Additions	*17*	*254*	*4*	-	*275*
At 31 December 2012	***111***	***799***	***11,729***	**-**	***12,639***
Accumulated depreciation					
At 1 January 2012	(56)	*(504)*	*(509)*	-	*(1,069)*
Charge for the year	(13)	*(54)*	*(492)*	-	*(559)*
At 31 December 2012	***(69)***	***(558)***	***(1,001)***	**-**	***(1,628)***
Net book value					
At 1 January 2012	*38*	*41*	*11,216*	-	*11,295*
At 31 December 2012	***42***	***241***	***10,728***	**-**	***11,012***

The turbines and ancillaries relate entirely to the Company's subsidiary, Good Energy Delabole Wind Farm Limited, have been pledged as security against its bank loan liability.

Notes to the Financial Statements
For the year ended 31 December 2013

15. Intangible Assets

Consolidated Year ended 31 December 2013	Power supply Licences £000's	Software Licences £000's	Website development costs £000's	Goodwill £000's	Total £000's
Cost					
At 1 January 2013	180	2,176	132	1,446	3,934
Additions	-	1,073	-	-	1,073
At 31 December 2013	**180**	**3,249**	**132**	**1,446**	**5,007**
Accumulated amortisation					
At 1 January 2013	-	(870)	(126)	-	(996)
Charge for the year	-	(530)	(3)	-	(533)
At 31 December 2013	**-**	**(1,400)**	**(129)**	**-**	**(1,529)**
Net book value					
At 1 January 2013	180	1,306	6	1,446	2,938
At 31 December 2013	**180**	**1,849**	**3**	**1,446**	**3,478**

Consolidated Year ended 31 December 2012	Power supply Licences £000's	Software Licences £000's	Website development costs £000's	Goodwill £000's	Total £000's
Cost					
At 1 January 2012	*180*	*1,398*	*123*	*1,446*	*3,147*
Additions	-	*777*	*9*	-	*786*
At 31 December 2012	***180***	***2,175***	***132***	***1,446***	***3,933***
Accumulated amortisation					
At 1 January 2012	-	*(798)*	*(123)*	-	*(921)*
Charge for the year	-	*(72)*	*(2)*	-	*(74)*
At 31 December 2012	**-**	***(870)***	***(125)***	**-**	***(995)***
Net book value					
At 1 January 2012	*180*	*600*	-	*1,446*	*2,226*
At 31 December 2012	***180***	***1,305***	***7***	***1,446***	***2,938***

Notes to the Financial Statements
For the year ended 31 December 2013

15. Intangible Assets (continued)

Goodwill of £1,446,453 (2012: £1,446,453) comprises £1,060,996 (2012: £1,060,996) arising from the original acquisition of Good Energy Limited, and £385,457 (2012: £385,457) from the original acquisition of the Group's generation business.

The carrying values of indefinite life assets included in intangible assets are: Goodwill of £1,446,453 (2012: £1,446,453) and power supply licence of £180,000 (2012: £180,000) which relates to the subsidiary, Good Energy Limited. In arriving at the conclusion that these assets have an indefinite life, management considers the fact that the Group is a profitable business and expects to hold and support these assets for an indefinite period.

An impairment review is undertaken annually or more frequently value-in use calculations, based on pre-tax cash flow projections over a five year period approved by management and discounted at appropriate rates.

The result of this review was that no impairment is required in respect of the carrying values of the indefinite life assets. The key assumptions for value-in use are as follows:

Value-in use assumptions	**2013**	2012
Gross margin	**30%**	*30%*
Growth rate	**2%**	*2%*
Pre tax discount rate	**14%**	*14%*

Based on these assumptions the Directors consider there to be significant headroom and the assumptions accordingly, not sensitive.

Included in software licences is an asset held under finance lease agreements with a carrying value at 31 December 2013 of £450,000 (2012: £450,000). This asset will continue to be amortised over its useful economic life.

Parent Company Year ended 31 December 2013	**Website development costs £000's**
Cost	
At 1 January 2013	9
Additions	-
At 31 December 2013	**9**
Accumulated amortisation	
At 1 January 2013	(2)
Charge for the year	**(3)**
At 31 December 2013	**(5)**
Net book value	
At 1 January 2013	7
At 31 December 2013	**4**

Notes to the Financial Statements
For the year ended 31 December 2013

15. Intangible Assets (continued)

Parent Company Year ended 31 December 2012	Website development costs £000's
Cost	
At 1 January 2012	-
Additions	*9*
At 31 December 2012	**9**
Accumulated amortisation	
At 1 January 2012	-
Charge for the year	(2)
At 31 December 2012	**(2)**
Net book value	
At 1 January 2012	-
At 31 December 2012	**7**

16. Investments and Subsidiaries

Parent Company Year ended 31 December 2013	Shares in Group undertakings £000's	Loans to Group undertakings £000's	Total £000's
Cost and net book value			
At 1 January 2013	4,646	3,686	8,332
Additions	4,435	41,248	45,683
Repayments	-	(26,287)	(26,287)
At 31 December 2013	**9,081**	**18,647**	**27,728**

Parent Company Year ended 31 December 2012	Shares in Group undertakings £000's	Loans to Group undertakings £000's	Total £000's
Cost and Net book value			
At 1 January 2012	*4,646*	*596*	*5,242*
Advances	-	*3,284*	*3,284*
Repayments	-	*(194)*	*(194)*
At 31 December 2012	*4,646*	*3,686*	*8,332*

The addition to shares in Group undertakings in the year relates to acquisition of Good Energy Hampole Windfarm Limited. The substance of this acquisition was to acquire the leasehold site on which power generating capacity is being developed. As such no goodwill arises on consolidation as the cost relates wholly to assets under construction. The increase in advances and repayments of Loans to Group undertakings is due to the allocation to operational Group entities of the proceeds from the equity raise and corporate bond issue completed in the year ended 31 December 2013.

Notes to the Financial Statements
For the year ended 31 December 2013

16. Investments and Subsidiaries (continued)

The Group had the following principal subsidiaries at 31 December 2013:

Name	Country of incorporation and place of business	Proportion of ordinary shares directly held by Parent	Nature of business
Good Energy Limited	UK	100%	supply of renewably sourced electricity and FIT administration
Good Energy Generation Limited	UK	100%	an investor in potential new generation sites
Good Energy Gas Limited	UK	100%	supply of gas
Good Energy Delabole Wind Farm Limited	UK	100%	generation of electric power by wind turbine machinery
Good Energy Hampole Wind Farm Limited	UK	100%	generation of electric power by wind turbine machinery

The subsidiaries above have all been included in the consolidated accounts.

At 31 December 2013, 25 special purpose vehicles (SPVs) had been set up for solar generation projects. These SPVs are not Included in the consolidation due to their immaterial impact. At the year end each SPV held only a minimum share capital of £1 and equivalent investment by Good Energy Group PLC.

17. Inventories

	Parent Company		Consolidated	
	2013	*2012*	**2013**	*2012*
	£000's	*£000's*	**£000's**	*£000's*
Renewable Obligation Certificates	-	-	**2,199**	*2,259*
Generation development sites	-	-	**3,929**	*418*
Total	-	-	**6,128**	*2,677*

As at 31 December 2013 there were Renewable Obligation Certificates (ROCs) of £1,343,077 (2012: £1,006,964) included in the above amount that were unissued for generation that had already taken place and therefore these ROCs were not available for sale before the end of the reporting period.

As at 31 December 2013, there were no ROCs pledged as security under the ROC repurchase agreement (ROC REPO) with a trading counterparty (2012: £669,231).

Costs shown in respect of Generation development sites are for ongoing projects to secure development rights and planning permission to establish power generation units on a number of different sites. The cost of inventories recognised as an expense and included in 'cost of sales' amounted to £2,401,505 (2012: £nil). The cost of Generation development site inventories recognised as an expense and included in 'administrative expenses' amounted to £ nil (2012: £91,297). At 31 December 2013, a write down provision of £850,000 (2012: £106,931) had been made against these sites resulting in a net expense of £743,069 which is included in 'cost of sales'.

Notes to the Financial Statements
For the year ended 31 December 2013

18. Trade and other receivables

	Parent Company		Consolidated	
	2013	*2012*	**2013**	*2012*
	£000's	*£000's*	**£000's**	*£000's*
Gross trade receivables	**-**	*-*	**6,066**	*3,788*
Provision for impairment/non-payment of trade receivables	**-**	*-*	**(864)**	*(839)*
Net trade receivables	**-**	*-*	**5,202**	*2,949*
Prepayments	**4**	*27*	**1,696**	*538*
Value added tax recoverable	**132**	*10*	**1,054**	*326*
Total	**136**	*37*	**7,952**	*3,813*

The Group has a provision in place to set aside an allowance to cover potential impairment and non-payment of trade receivables. Those debts which are neither past due nor impaired are considered to be good and are expected to be recoverable. Trade receivables are with customers who do not have externally available credit ratings.

The movements on the provision for impairment and non-payment of trade receivables is shown below:

Movement on the provision for impairment and non-payment of trade receivables	2013 £000's	2012 £000's
Balance at 1 January	**839**	*709*
Increase in allowance for impairment/non-payment	**377**	*576*
Impairment/non-payment losses recognised	**(352)**	*(446)*
Balance at 31 December	**864**	*839*

Ageing analysis of trade receivables past due but not impaired	2013 £000's	2012 £000's
Current and not past due	***3,896***	*2,590*
1 to 2 months	***678***	*209*
2 to 3 months	***121***	*102*
Over 3 months	***507***	*51*
Total	***5,202***	*2,949*

Trade receivables past due but not impaired relate entirely to a number of independent customers for whom there is no recent history of default.

Trade and other receivables are all financial assets designated as loans and receivables.

Notes to the Financial Statements
For the year ended 31 December 2013

19. Cash and cash equivalents

	Parent Company		Consolidated	
	2013	2012	**2013**	2012
	£000's	£000's	**£000's**	£000's
Cash at bank and in hand	**379**	*164*	**17,311**	*4,403*
Short-term bank deposits	**-**	-	**664**	*5,132*
Total	**379**	*164*	**17,975**	*9,535*

As part of the bank loan agreement, the Lender requires a minimum cash balance to be held in separate debt service reserve accounts. At the end of the year the amount was £664,631 (2012: £632,603), which is included in short-term bank deposits in 2013.

Included within cash at bank and in hand for both the parent company and the consolidated position is £284,972 (2012:£81,006) in respect of monies held by the Good Energy Employee Benefits Trust.

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings as follows:-

	Parent Company		Consolidated	
	2013	*2012*	**2013**	*2012*
	£000's	*£000's*	**£000's**	*£000's*
AA-	**285**	*81*	**285**	*81*
A	**-**	-	**16,508**	*7,474*
BBB+	**-**	*83*	**11**	*1,980*
BB	**94**	-	**1,171**	-
Total	**379**	*164*	**17,975**	*9,535*

Cash and cash equivalents are all financial assets designated as loans and receivables.

20. Share Capital and Share Premium

	Number of Shares (thousands)	Ordinary Shares £000's	Share Premium £000's	Total £000's
At 1 January 2012	*7,816,767*	*391*	*3,536*	*3,927*
				-
Proceeds from shares issued	*4,705,882*	*235*	*3,193*	*3,428*
At 31 December 2012	*12,522,649*	*626*	*6,729*	*7,355*
Proceeds from shares issued	**2,145,247**	**107**	**2,348**	**2,455**
At 31 December 2013	**14,667,896**	**733**	**9,077**	**9,810**

During the year the company issued 2,145,247 (2012: 4,705,882) ordinary shares of 5p each for total consideration of £2,681,559 (2012: £4,000,000) resulting in a share premium of £2,574,297 (2012: £3,764,706). Costs of £225,900 (2012: £572,461) were incurred as a result of this issue and these have been debited against the share premium account.

Clarke Willmott Trust Corporation Limited holds in trust for the present and the future beneficiaries of the Good Energy Group Employee Share Option Scheme 387,998 (2012: 776,430) ordinary shares of the company. These are deducted from equity as shown in the Consolidated and Parent Company Statements of Changes in Equity. During the year the trust disposed of 390,832 (2012: 200,000) shares as a result of options exercised and acquired 2,400 (2012: 31,000) shares.

Notes to the Financial Statements
For the year ended 31 December 2013

21. Deferred Taxation

The provision for Deferred Taxation is made up as follows:

Consolidated	2013 £000's	*2012 £000's*
At 1 January	643	*395*
Charged/(credited) to the Consolidated Statement of Comprehensive Income	95	*248*
At 31 December	738	*643*

	2013 £000's	*2012 £000's*
Deferred tax asset to be recovered after more than 12 months	-	-
Deferred tax asset to be recovered within 12 months	(92)	*(103)*
Sub total-deferred tax assets	(92)	*(103)*
Deferred tax liabilities to be settled after more than 12 months	830	*746*
Deferred tax liabilities to be settled within 12 months	-	-
Sub total-deferred tax liabilities	830	*746*
Total net deferred tax	738	*643*

Deferred tax assets	2013 £000's	*2012 £000's*
On short term timing differences	92	*103*
Losses	-	-
Total	92	*103*

Deferred tax liabilities	2013 £000's	*2012 £000's*
On accelerated capital allowances	830	*746*

Deferred tax assets/(liabilities)	Accelerated capital allowances £000's	Short-term timing differences £000's	Losses £000's	Total £000's
At 1 January 2012	*(545)*	*82*	*68*	*(395)*
(Charged)/Credited to the income statement	*(201)*	*21*	*(68)*	*(248)*
At 31 December 2012	*(746)*	*103*	-	*(643)*
(Charged)/Credited to the income statement	**(84)**	**(11)**	-	**(95)**
At 31 December 2013	**(830)**	**92**	-	**(738)**

The Group and Company has unutilised capital losses of £nil (2012: £130,822) and unutilised management charges of £19,261 (2012: £19,261) resulting in a deferred tax asset which has not been recognised.

Notes to the Financial Statements
For the year ended 31 December 2013

22. Borrowings and other financial liabilities

	Parent Company		Consolidated	
	2013	*2012*	**2013**	*2012*
	£000's	*£000's*	**£000's**	*£000's*
Current:				
Bank loan	**-**	-	**553**	*390*
Finance lease liabilities	**-**	-	**121**	*153*
Loans from Group companies	**1,374**	-	**-**	-
Total	**1,374**	-	**674**	*543*

	Parent Company		Consolidated	
	2013	*2012*	**2013**	*2012*
	£000's	*£000's*	**£000's**	*£000's*
Non current:				
Bank loan	**-**	-	**10,417**	8,538
Bond	**14,250**	-	**14,250**	-
Finance lease liabilities	**-**	-	**-**	121
Total	**14,250**	-	**24,667**	8,659

The Group has undrawn bank overdraft facilities of £5,000,000 (2012 : £4,000,000) as at 31 December 2013 and undrawn revolving credit facilities of £6,500,000 (2012 : £nil).

£8,537,720 (2012: £8,928,000) of the bank loans relate to the Company's subsidiary, Good Energy Delabole Wind Farm Limited and is secured by a mortgage debenture on that Company dated 16 January 2010 incorporating a fixed and floating charge over all current and future assets of that subsidiary. The facility will be repaid from future cash flows arising from the wind farm of this Company.

On 7 January 2011, the loan balance was transferred from the build phase to the repayment phase, with repayments of Capital and Interest scheduled bi-annually over 15 years.

As part of the facility Good Energy Delabole Wind Farm Limited entered into a floating rate interest to fixed rate interest swap. They were entered into at the same time and in contemplation of one another, have the same counterparty, relate to the same risk and amortise concurrently. Given these circumstances and the fact that there is no economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction these instruments are treated as one fixed rate loan instrument in accordance with IAS 39. The fixed rate interest is payable at an annual rate of 7.15 per cent.

Notes to the Financial Statements
For the year ended 31 December 2013

22. Borrowings and other financial liabilities (continued)

£2,675,450 (2012: £nil) of the bank loans relate to the Company's subsidiary, Good Energy Hampole Windfarm Limited and is secured by a mortgage debenture on that Company dated 23 May 2013 incorporating a fixed and floating charge over all current and future assets of that subsidiary. The facility will be repaid from future cash flows arising from the wind farm of this Company with repayments of Capital and Interest scheduled bi-annually over an initial period of three years commencing 31 December 2014. Interest is payable at LIBOR plus a margin of 5.00 per cent. The facility is subject to refinancing after the initial period and the Group intends to refinance on a margin plus LIBOR basis for a further eleven years. The subsidiary has entered in to a seventeen year interest rate swap to hedge the interest rate risk on the LIBOR element of the interest.

On 2 October 2013 Good Energy Group launched a corporate bond which closed on 24 October 2013 with subscriptions having reached the maximum target of £15,000,000. The bond was issued to bondholders on 22 November 2013 with Interest scheduled bi-annually. The coupon rate is 7.25 per cent or 7.50 per cent for bondholders that are customers of the Group. Capital repayment of the bond is payable following notice being received from the bond holder no earlier than 4 years from inception. The total costs of issue were £770,879 which are being amortised over the life of the bond. As at 31 December 2013 the amortisation recognised in 'finance costs' totalled £20,592.

Parent Company	Intercompany loan £000's	Bond £000's	Total £000's
31 December 2013			
Due less than 1 year	1,374	-	1,374
Due between 1 and 5 years	-	14,250	14,250
Due more than 5 years	-	-	-
Total	**1,374**	**14,250**	**15,624**

The Parent Company had no borrowings or other financial liabilities in the year ended 31 December 2012.

Consolidated	Finance lease £000's	Bank loan £000's	Bond £000's	Total £000's
31 December 2013				
Due less than 1 year	121	553	-	674
Due between 1 and 5 years	-	3,701	14,250	17,951
Due more than 5 years	-	6,716	-	6,716
Total	**121**	**10,970**	**14,250**	**25,341**

Notes to the Financial Statements
For the year ended 31 December 2013

22. Borrowings and other financial liabilities (continued)

Consolidated	Finance lease £000's	Bank loan £000's	Bond £000's	Total £000's
31 December 2012				
Due less than 1 year	153	390	-	543
Due between 1 and 5 years	121	1,703	-	1,824
Due more than 5 years	-	6,835	-	6,835
Total	274	8,928	-	9,202

The estimated fair value of Good Energy Delabole Windfarm Ltd loan is £8,538,333 (2012: £9,093,975). The estimated fair value of the Good Energy Hampole Windfarm Limited loan is £2,555,434 (2012: £nil). The estimated fair value of the corporate bond is £15,134,990 (2012: £nil). The fair values have been calculated taking into account the interest rate risk inherent in the loans and bond.

The fair value of the finance lease and current borrowings equal the carrying amount as the impact of the discounts is not significant. The fair values are based on the cash flows discounted using a rate based on the borrowing rate of 7.15 per cent.

Consolidated	2013 £000's	2012 £000's
Gross finance lease liabilities - minimum lease payments:		
Due less than 1 year	125	166
Due between 1 and 5 years	-	125
Due more than 5 years	-	-
Total	125	291
Future finance charges on finance lease liabilities	(4)	(17)
Present value of finance lease liabilities	121	274

Borrowings are designated as other financial liabilities held at amortised cost.

23. Trade and other payables

	Parent Company		Consolidated	
	2013 £000's	2012 £000's	2013 £000's	2012 £000's
Trade payables	747	16	2,240	2,092
Accruals and deferred income	610	539	9,006	5,825
Social security and other taxes	-	-	143	116
Other payables	-	27	1,486	968
Total	1,357	582	12,875	9,001

Trade and other payables are designated as other financial liabilities held at amortised cost.

Notes to the Financial Statements
For the year ended 31 December 2013

24. Derivative Financial Instruments

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The Group had the following fair value derivative financial instruments in place at 31 December 2013:

Group		2013		*2012*
	Assets	**Liabilities**	*Assets*	*Liabilities*
	£000's	**£000's**	*£000's*	*£000's*
Interest rate swaps - cash flow hedge	**328**	-	-	-
Forward foreign exchange contracts - cash flow hedges	-	**52**	-	-
Total	**328**	**52**	-	-
Less non current portion:				
Interest rate swaps - cash flow hedge	**(328)**	-	-	-
Current portion	-	**52**	-	-

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2013 were £5,189,641 (2012: nil). The swap is designated as a hedge against the Group's borrowings in Good Energy Hampole Windfarm Limited. The fair value of the borrowing was £2,555,434 (2012: £nil). The gain on the interest rate swap at the end of the reporting period is recognised in other comprehensive income. The hedging is based on highly probable transactions (capital drawdowns and repayments in Good Energy Hampole Windfarm Limited) that are expected to occur at various dates during the next four years.

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2013 were €2,869,000 (2012: nil).

Notes to the Financial Statements
For the year ended 31 December 2013

25. Dividends

Amounts recognised as distributions to shareholders in the year (based on the number of shares in issue at the record date):

Consolidated	2013 £000's	2012 £000's
Final dividend prior year of 2.00p per share (2012: 2.75p)	251	215
Interim dividend current year of 1.00p per share (2012: 1.00p)	146	125
Sub-total	397	340
Dividends waived	(20)	(29)
Total	377	311

Dividends waived represent dividends that would accrue on shares held by the Good Energy Group Employee Benefits Trust were they not held by the Trust.

26. Cash Flows

Reconciliation of net income to net cash provided by operating activities:

	Parent Company		Consolidated	
	2013 £000's	2012 £000's	2013 £000's	2012 £000's
Profit before income tax	621	134	3,255	1,375
Adjustments for:				
Depreciation	-	2	634	559
Amortisation	3	-	533	75
Dividends received	-	(1,200)	-	-
Finance costs - net	(76)	(18)	603	649
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation)				
Inventories	-	-	(3,452)	629
Trade and other receivables	(99)	(20)	(4,139)	(245)
Trade and other payables	775	20	3,504	3,003
Cash generated from operations	1,224	(1,082)	938	6,045

Consolidated cash generated from operations have reduced in the year ended 31 December 2013 mainly due to the increase in spend on Generation development sites in the year of £3,511,997 (2012: £417,876) which is included in Inventories (Note 17).

Notes to the Financial Statements
For the year ended 31 December 2013

27. Share Based Payments

In order to retain the services of key employees and to incentivise their performance, the Parent Company operates the Good Energy Employee Share Option Scheme under which certain employees of the Group are granted options to acquire Ordinary 5p Shares at future dates. Costs in respect of these options of £39,000 (2012:£nil) are recognised in the Consolidated Statement of Comprehensive Income. As at 31 December 2013, the following options had been issued:

	Number of options		Weighted average exercise price		Total exercise consideration	
	2013	*2012*	**2013**	*2012*		
	(Number)	*(Number)*	**(£)**	*(£)*	**£000's**	*£000's*
Outstanding at the beginning of the year	**1,659,346**	*1,496,400*	**0.87**	*0.73*	**1,445**	*1,098*
Granted	**910,000**	*562,946*	**1.25**	*1.15*	**1,137**	*647*
Exercised	**(390,832)**	*(200,000)*	**0.87**	*0.50*	**(340)**	*(100)*
Cancelled/surrendered	**(130,000)**	*(200,000)*	**1.00**	*1.00*	**(130)**	*(200)*
Outstanding at the end of the year	**2,048,514**	*1,659,346*	**1.03**	*0.87*	**2,112**	*1,445*

In order to partially fulfil the options granted, 387,998 (2012: 776,430) shares representing approximately 22% (2012: 47%) of the options outstanding have already been issued and held by Clarke Willmott Trust Corporation Limited as the Trustee of the Good Energy Group Employee Benefits Trust. Dividends have been waived on these shares.

The options expire at various dates between June 2014 and February 2023.

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant-vest	Expiry year	Exercise price in £ per share options	Share options (thousands)	
			2013	**2012**
2002-2005	2015	0.50	118	131
2003-2006	2014	0.75	45	45
2004-2007	2014	0.75	120	120
2005-2008	2015	0.80	100	100
2006-2009	2016	0.75	114	193
2007-2010	2017	0.75	20	118
2011-2013	2021	1.00	-	141
2012-2015	2022	0.50	189	189
2012-2015	2022	1.15	503	563
2013-2016	2026	1.25	840	-
			2,049	**1,659**

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was £0.15 per option. The significant inputs into the model were weighted average share price of £1.33 at the grant date, exercise price shown above, volatility of 19%, dividend yield of 3%, an expected option life of three years and an annual risk-free interest rate of 0.3%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last year. See note 8 for the total expense recognised in the income statement for share options granted to Directors and employees.

Notes to the Financial Statements
For the year ended 31 December 2013

28. Pensions

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £256,643 (2012: £207,761).

Contributions totalling £35,707 (2012: £26,910) were payable to the fund at the end of the reporting period and are included in other payables.

The Group has no further pension liability either realised or contingent and in line with the Group's environmental position all employer contributions are invested within a suitable fund.

29. Commitments

29.1 Operating Lease Commitments

Rentals payable over the life of non-cancellable operating leases are as follows:

Land and Buildings	2013 £000's	2012 £000's
Leases as lessee:		
Less than one year	**262**	*200*
Between one and five years	**547**	*526*
More than five years	**792**	*151*
Total	**1,601**	*877*

Other operating leases	2013 £000's	2012 £000's
Leases as lessee:		
Less than one year	**9**	*47*
Between one and five years	**24**	*7*
More than five years	**-**	*-*
Total	**33**	*54*

Details of commitments under variable term operating leases are contained in note 30.

29.2 Capital Commitments

At 31 December 2013, the total capital commitments amount is £15,195,822 (2012: nil). Of this £9,546,236 related to contracts agreed on solar generation projects and £5,649,586 related to contracts agreed on the construction of Good Energy Hampole Windfarm Limited.

The figure for solar generation projects represents the maximum liability assuming all sites continue in development. If sites abort during 2014, only costs incurred to date on grid will be incurred, not the full amount.

Notes to the Financial Statements
For the year ended 31 December 2013

30. Related Party Transactions

The Company's significant subsidiary undertakings, including the name and proportion of ownership interest for each, are disclosed in note 16. Transactions between subsidiaries and between the Company and its subsidiaries are eliminated on consolidation. During the year the Company had intercompany balances with its subsidiaries. Interest is charged on these balances at 2.5% above the Bank of England base rate. Details of the amounts outstanding and received during the year are contained in note 16.

In January 2010 Good Energy Delabole Wind Farm Limited, a subsidiary company, entered into an agreement with Windelectric Management Limited, a company in which Martin Edwards (a director of the company) has a controlling interest, to provide site management for the new wind farm at Delabole. The amount payable each year is £75,000 index linked. The amount payable under this agreement during the current year was £80,568 (2012: £75,367). Of these figures no amounts were outstanding at the end of the reporting period (2012: £nil).

In January 2010, Good Energy Delabole Wind Farm Limited entered into a 25 year lease with Martin Edwards and other parties, in respect of the land which some of the new turbines occupy. For the first 10 years of operation the rent will be the higher of an annual base rent of £50,240 or 3.25% of gross income from the wind farm and from the 10th anniversary onwards it will be 4.5% of gross income from the wind farm.

The amount payable under this agreement during the current year was £81,782 (2012: £55,732). Of these figures no amounts were outstanding at the end of the reporting period (2012: £nil).

During the year the Good Energy Employee Benefits Trust acquired nil (2012: 31,000) ordinary shares from Juliet Davenport for £nil (2012: £34,100).

In 2012, the Group entered in to an agreement in connection with generation development activities with Shire Oak Energy Limited, a company wholly owned by Mark Shorrock who is the husband of Juliet Davenport. The agreement was amended dated 10 July 2013. Under the terms of that agreement, Shire Oak Energy Limited receives consultancy fees of £750 per day and commission payments as follows:-

(a) in relation to the development or sale of a solar site, a commission of up to £40,000 per MW installed

(b) in relation to the development or sale of a wind farm site, a commission of up to £75,000 per MW installed

As at 31 December 2013 Shire Oak Energy Limited was entitled to receive £945,000 in 2013 (2012: £46,468), of which £945,000 (2012: £10,588) remains outstanding. As at 31 December 2013, 178MW of solar and 46MW of wind power production capacity in which Shire Oak Energy Limited has a meaningful involvement remains in development. No estimate has been prepared of the amount which may be payable in the future under this agreement due to the number of uncertain factors which would impact the calculation, some of which are outside the control of the Group.

31. Subsequent events

On 28 January 2014, the Group announced final consent for a 49.9MW solar farm in Norfolk. The Board is considering the options available for the site, including potential partners for the possible sale or development of the solar farm by the Group.

Directors and Corporate Resources

Directors	John Maltby (Non-Executive Chairman) Juliet Davenport (Chief Executive) Garry Peagam (Group Finance Director) Richard Squires (Non-Executive Director) Martin Edwards (Non-Executive Director) Francesca Ecsery (Non-Executive Director)
Company Secretary and Registered Office	David Ford Monkton Reach Monkton Hill, Chippenham Wiltshire SN15 1EE
Company Number	04000623
Principal place of business	Monkton Reach Monkton Hill, Chippenham Wiltshire SN15 1EE
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Financial Advisors	N+1 Singer One Bartholomew Lane London, EC2N 2AX
Bankers	Lloyds Bank PO Box 112, Canons House, Canons Way Bristol BS99 7LB The Co-operative Bank PLC PO Box 101, 1 Balloon Street Manchester M60 4EP
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