Good Energy Group

Annual Report

& Financial Statements

2014

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& Financial Statements

2014

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Year ended 31 December 2014

2014

Good Energy Group

Annual Report

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Strategic Report

Our Strategic Report for 2014 contains contributions from Good Energy's Chairman, its Chief Executive and its Chief Financial Officer. Detailed financial information and data can be found in later sections of the document.

Chairman's Statement

Good Energy was established with a mission to tackle climate change, and help deliver energy security for the UK. This goal remains as relevant today as it did when we first opened for business and we continue to provide the blueprint for how energy companies can and should look in the 21st century.

Fifteen years on, our business continues to grow. Year on year, we have built our customer numbers in both electricity and gas supply. We have invested in a continually growing portfolio of wind and solar generation sites. We launched the precursor to the scheme now known as the Feed-in Tariff (FIT) and today are one of the largest FIT administrators in the country. We contract to buy renewable electricity from an ever-growing network of small and medium independent generators – currently more than 800 - across the UK, and have an enviable reputation for quality customer service.

Throughout 2014, we have demonstrated business resilience and an ability to manage external pressures. The result is, that in spite of the external headwinds of challenging trading conditions, we have been able to make progress towards our strategic objectives of building up both our generation portfolio and customer base.

At the same time, we have maintained a high standard of customer service excellence, coming second in the 2015 annual Which? energy company customer satisfaction survey, with the same score as we achieved in 2014. We have won the top slot in three out of the last four years, clearly demonstrating consistency and a strong customer focus. We also came first in a high profile MoneySavingExpert poll which aired at peak time on ITV.

We know that our independently-assessed top-rated customer service, combined with our offer of 100% renewable electricity and competitive pricing including a price freeze, followed by a below-inflation price rise, acts as strong driver for customer growth and plays an important part in reinforcing

> Despite challenging trading conditions affecting the whole sector, the Company's overall revenues for 2014 were up 43% to £57.6m.

our reputation and maintaining our competitive advantage. We would anticipate that our price reductions, announced earlier in 2015 and taking effect after Easter, will help reinforce this.

The overall 34% growth in customer numbers is in part attributable to an increased willingness by customers to switch to smaller suppliers. This reflects a continued trend which shows that during 2014, a total of 1.3 million people switched from a larger supplier to a smaller one (source: Energy UK).

Despite challenging trading conditions, with the whole energy sector being impacted by the warmest year since records began, and by lower wind speeds over the last few months of the year, the Company's overall revenues were up 43% to £57.6m.

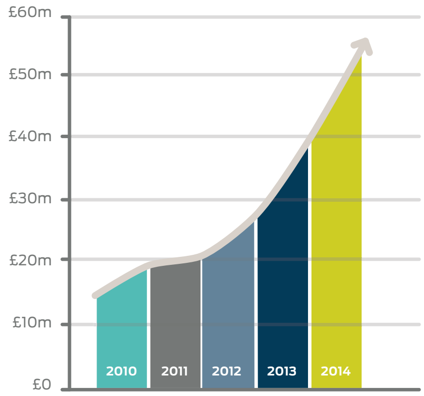
Dividend details

The Directors recommend a final dividend of 2.3p per share, in line with the 2013 final dividend. Subject to shareholder approval at the Company's AGM, the final dividend will be payable on 29 May 2015 to shareholders on the register on 24 April 2015 .

Key performance indicators

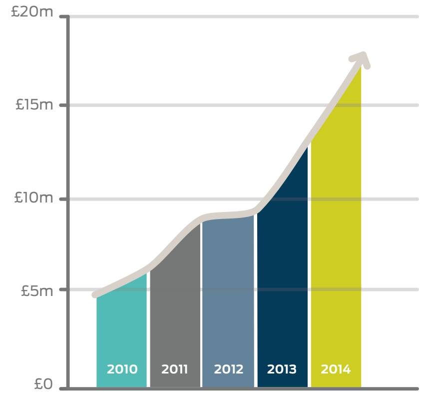
Revenue

Strong revenue growth has been achieved across all segments of the business. This is a key indicator of business performance and health.



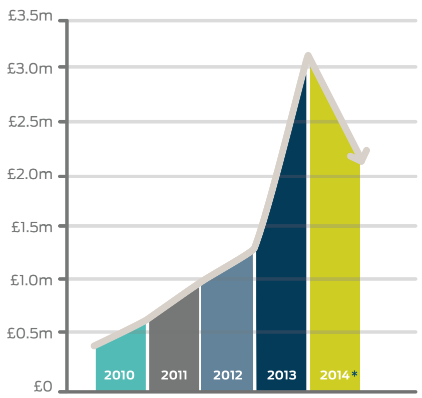
Gross profit

Achieved strong growth in gross profit across all segments in 2014, particularly in generation development due to the sale of solar assets. Growth in supply companies achieved despite lower energy use per customer.



PBT (before exceptional costs)*

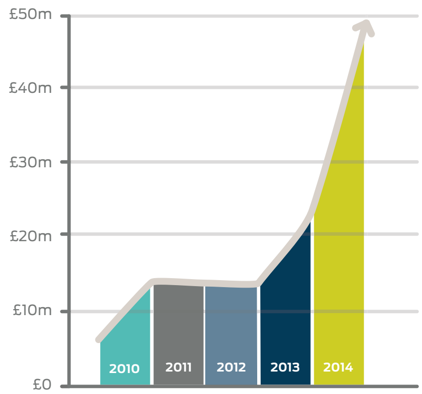
2014 PBT (before exceptional costs)* reflects the challenging trading conditions, investment costs and increased finance costs.



**exceptional costs were incurred in closing out the loan and related derivative on Good Energy Hampole Wind Farm Limited during its initial period.*

Non current assets

The level of investment in non current assets indicates performance against the Group's strategic objective of building its generation portfolio.



Good Energy uses a range of financial and non financial key performance indicators (KPIs) to monitor the performance of the Group. Financial KPIs include revenue, gross profit, profit before tax and exceptional items (PBT) and non current assets. Non financial KPIs are customer numbers and customer number growth within supply businesses (see pg 9).

This rise can be attributed principally to customer growth and the sale of the solar site at West Raynham. This latter transaction is part of Good Energy's strategy to develop its portfolio through a combination of selling some sites and building and holding others.

Gross profit was £18.8m, up by 38% on the previous year, reflecting growth in customer numbers and the sale of West Raynham, partially offset by lower usage as a result of the warmer weather. The year-end profit before tax and exceptional items figure of £2.2m is in line with expectations announced to the market in December 2014.

Government figures indicate that in the first nine months of 2014, renewable electricity provided 18.3% of total UK electricity generation compared to 14% in the first nine months of 2013. This serves to demonstrate the growing contribution of renewable sources such as wind and solar to the UK's electricity mix, aligning well with our own strategic objectives.

Our cash flow position remains healthy, reflecting the positive operational cash flows from the business and the proceeds from both West Raynham and the new debt facility.

The Directors intend to maintain an efficient capital structure that provides the funds for further development, construction and/or acquisition of generating assets to add to Good Energy's existing generating portfolio, together with the provision of returns to shareholders. With this ambition in mind, the Directors target a prudent level of dividend cover.

> "We remain well-placed to make good progress towards all our objectives.

Consequently, the Directors recommend a final dividend of 2.3p per share, in line with the 2013 final dividend.

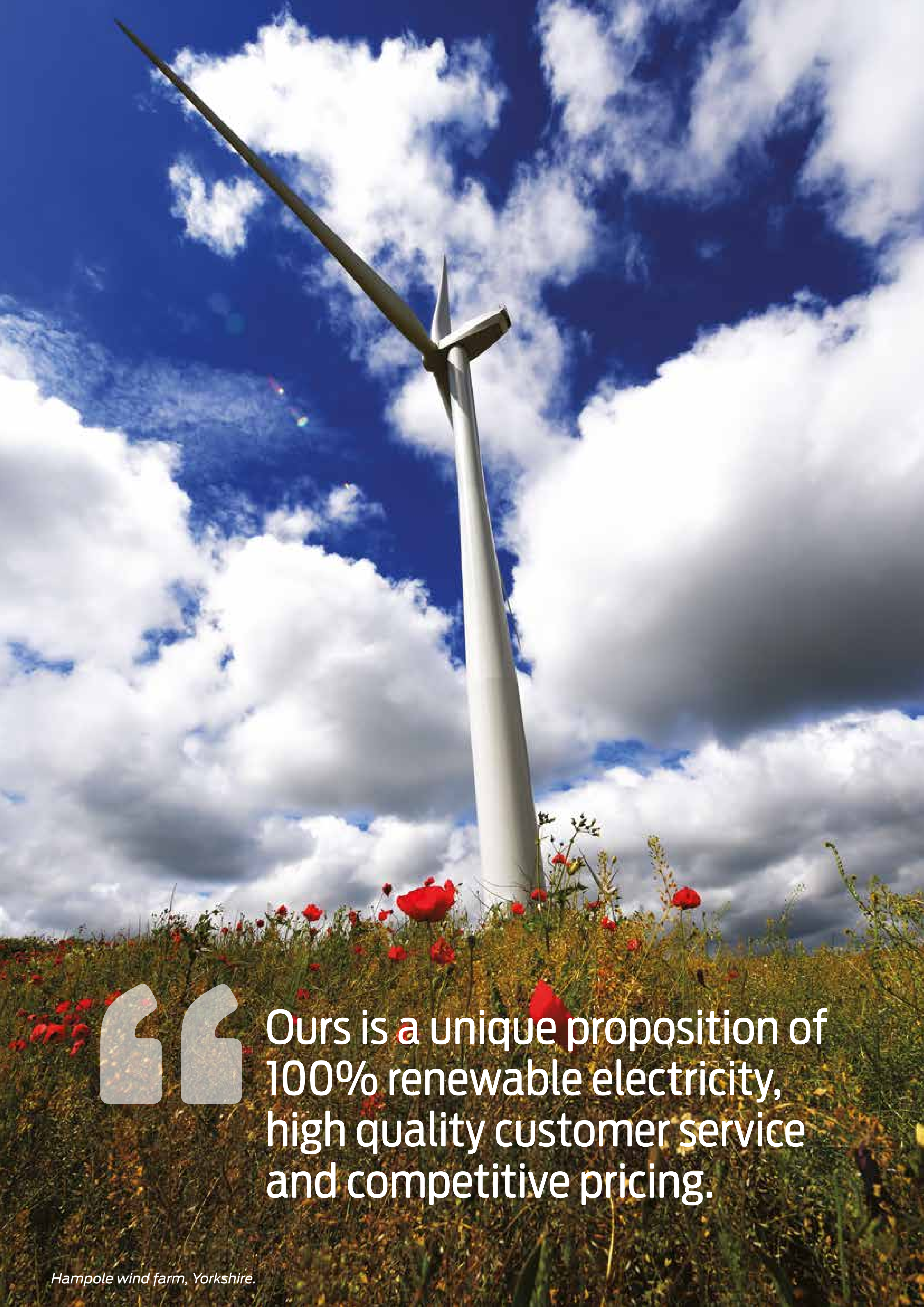
Subject to shareholder approval at the Company's AGM, the final dividend will be payable on 29 May 2015 to shareholders on the register on 24 April 2015.

The Board is confident that the Company remains well placed to continue to make good progress on all its objectives, delivering a consistently reliable performance which will enable it to build on its investment for long term growth.

I would like to thank all the staff at Good Energy for the energy and commitment they have shown throughout 2014. This provides an excellent foundation from which to continue to build as we seek to pursue our goal of being a catalyst for change in the UK energy market.

John Maltby

Chairman
24 March 2015



“Ours is a unique proposition of 100% renewable electricity, high quality customer service and competitive pricing.

Hampole wind farm, Yorkshire.

Chief Executive's Review

During 2014, we've seen Good Energy continue to deliver a strong performance against its objectives of driving customer growth and investing in a pipeline of renewable generation assets. At the same time, the Company has continued to invest in its people, systems and processes ensuring the business is flexible and able to build and deliver its plans for further growth.

Supply companies

Our unique proposition of 100% renewable electricity, independently-rated high quality customer service and competitive pricing has continued to help drive both customer growth and retention across electricity, gas and Feed-in Tariff (FIT).

By the end of December 2014, we had seen overall growth in customer numbers of 34%. Our electricity customers grew 30% from 40,000 (end 2013) to around 51,500 as of end December 2014, while our gas customer base grew at an even greater rate from 15,000 (end 2013) to just under 25,000 (end 2014).

We've recorded consistent year-on-year growth in both categories – in the last five years alone we've seen overall growth of 97% and 654% respectively. We continue to see high levels of customer retention, with a consistently low level of customer churn.

Business sales revenues have also risen by 22% and we are confident this positive growth momentum will continue throughout 2015 and beyond.

Good Energy is one of the largest FIT administrators in the UK. Encouraging and developing independent renewable energy generation has always been at the heart of what Good Energy does. It is the foundation upon which we see a 100% renewable future for the country being built, and one which empowers individuals both to generate electricity and benefit from an income from installing solar panels on their roofs.

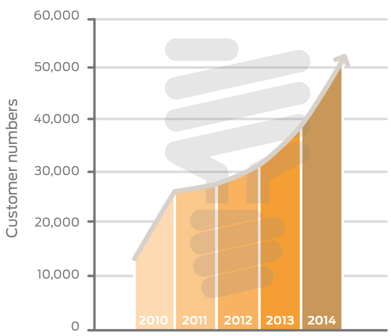
By the end of 2014, we had seen FIT customer numbers rise 29% from 59,000 (end 2013) to more than 76,000 (end 2014). Again, we have seen a pattern of year-on-year growth in this sector, establishing the Company's position as one of the largest FIT administrators in the UK.

Our quality service proposition and ensuring that customers have the best consumer experience remains integral to our offering. We have invested further during the year to ensure these high levels of service are maintained and improved. In particular we have recruited additional personnel, developed our training, and introduced internet-based services such as on-line direct debits and e-billing.

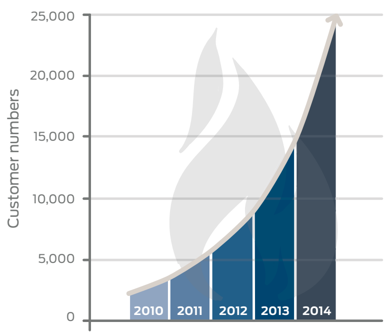
As a result, we expect to see further examples of new and improved customer service processes as the year progresses.

Customer growth

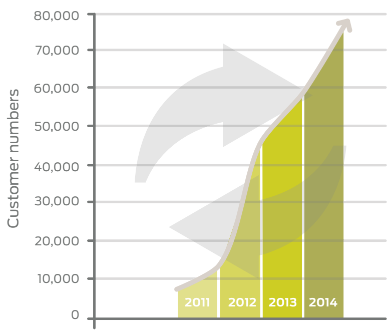
Non financial KPIs include customer growth within each area of the supply businesses. The increase in customer numbers is a key component of the Group's long term growth strategy.



Electricity



Gas



FiT

Electricity generation

On the generation side of the business, during 2014 we successfully expanded and diversified our portfolio and invested further in our pipeline of renewable electricity sites. By the end of the year, our total owned generation capacity had risen to 24.2MW (2013: 9.2MW).

The additional capacity brought on stream during 2014 came principally from our second wind farm, in Hampole, Yorkshire. This was commissioned in the first quarter of the year, adding 8.2MW of installed capacity to our total generation mix. During 2014, the combined power output from Hampole, and our other wind farm at Delabole, was 39GWh, up 44% on 2013.

Subsequently, we built and commissioned our first two solar farms - Woolbridge in Dorset and Creathorne Farm in Cornwall - adding a further 6.8MW of installed capacity. We also began work on two further solar sites, both of which have since been commissioned.

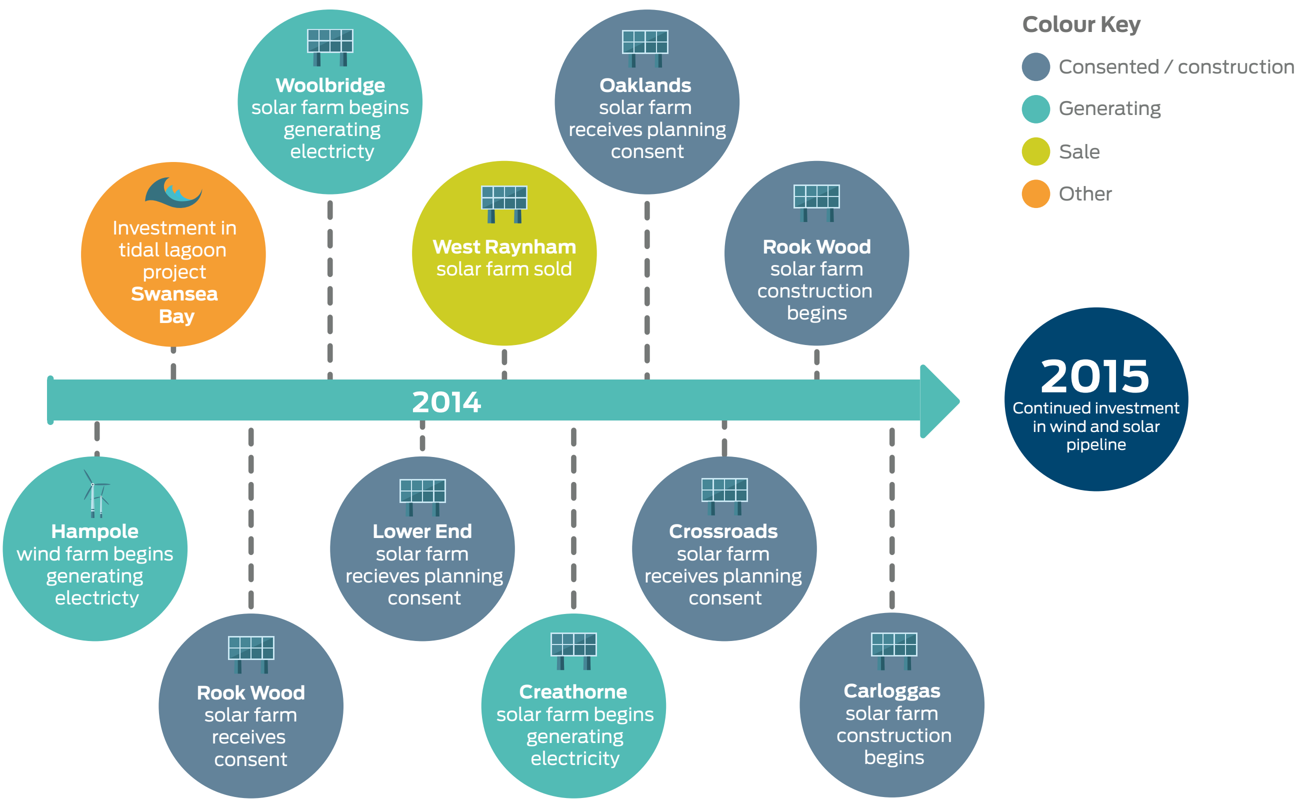
> “We built and commissioned our first two solar farms during 2014 and began construction on two more towards the end of the year.

A number of submissions for further solar sites are at various stages in the planning process, and we expect to see these bear fruit during the first half of 2015.

We have continued to purchase power from and grow our network of independent renewable electricity generators across the UK, in an approach that further differentiates us from others in the sector. We now work with more than 800 individuals and small businesses in this way.

These power purchase agreements (PPAs) form an important part of our plans and during 2014, we expanded our PPA base by more than 70% to around 190.

Good Energy Generation - 2014



We further demonstrated this commitment during the year with our first ever investment in tidal energy through the Tidal Lagoon Power Swansea Bay project. Our investment in this development project gives us the right to purchase 10% of the output from the project, currently forecast at 495GWh per annum, should the proposal receive planning approval later this year. The tidal lagoon is expected to generate sufficient electricity to power more than 155,000 homes.

This investment enables us to further diversify our future sources of renewable electricity, to supply our growing number of customers and enhance our forecasting capability through predictable generation.

Generation development and finance

This has been a busy year as we put in place some key financial foundations to sustain our future growth and realise our strategic ambitions. Our successful refinancing towards the end of the fourth quarter and the successful sale of the West Raynham solar site in the summer formed an important part of our strategy to invest for growth and to ensure access to funding for our projects going forward.

Trading environment

2014 proved to be the warmest year since records began, resulting in a prolonged period of over-supply and under-demand. This lower-than-expected customer demand fed through to lower revenue per customer for the Company.

Overall, Good Energy's generation volume increased 5% to 42GWh compared with the previous year's output. This rise was driven by the commissioning of the Company's second wind farm, in Hampole, Yorkshire and the addition of its first two solar farms. Wind generation from the PPA portfolio contributed 146GWh, a rise of 15% on 2013.

A combination of factors including reduced wholesale power prices, falling wholesale gas prices and mild weather resulted in corresponding reductions in gas power plant operating costs. Wholesale gas prices fell, driven by high global supply and the mild weather conditions.

Regulatory, political and market environment

The energy sector continues to be subject to an ever changing regulatory, political and market environment. For example, 2014 saw proposals from the Government to radically alter the solar subsidy framework for the third time in just four years. We strongly believe solar could be subsidy free by 2020, unlike coal, gas and nuclear, and we're pleased to report that we were listened to, with many of our comments submitted during the consultation period reflected in the final policy framework.

During 2014, Ofgem outlined new delivery requirements through both its Retail Market and Electricity Market Reviews, bringing with them greater transparency and improved service for consumers. These changes necessitated additional investment in new Company systems and processes in order to comply with the requirements.

Energy issues continue to dominate the political agenda ahead of the General Election, polarising into debates over cost-reflective prices, customer service standards, ease of switching and transparency. The Labour Party has maintained its pledge to introduce a price freeze if elected. Meanwhile, the Conservatives have stated their plans for reducing support for onshore wind and large-scale solar if they are returned with a majority.

The Competition and Markets Authority (CMA) announced in June 2014 that it would be investigating the energy market, and early workings from the investigation were announced in February. We welcome the CMA inquiry as it represents an opportunity to review the energy market to ensure it works for the benefit of consumers and not only for the historically established suppliers. Improved competition means more choice for consumers. The final report is due out towards the end of the year, and while Good Energy is not directly impacted by the focus of the inquiry, it is likely that we will be affected by its outcomes.

Woolbridge solar farm, Dorset.

Other challenges which will face us throughout the remainder of the year will be the implications for energy policy post-election, and the associated uncertainty surrounding the financial, regulatory and planning regime for renewable energy. Equally, uncertainty surrounds whether the new regime for long-term contracts, designed to encourage investment in new, low-carbon generation, will work effectively and meet the need of onshore renewables.

We will also be looking at the most appropriate and cost-effective way for Good Energy to deliver the government's smart metering programme. The energy industry is currently obliged to provide smart meters to all customers by 2020 but there is acknowledgement that the challenges this programme brings to the smaller, independent suppliers may be disproportionate in comparison with the economies of scale enjoyed by the Big Six. The programme timescale has already been subject to delays.

Outlook

We have a growing number of customers who want to use our renewable electricity; we have more assets under development which will increase our ability to own a greater proportion of the electricity we supply, and we have successfully secured the financing we need to fund the next stage of our growth strategy. Further development of our proposition and investment in people and systems means that we will be able to continue to grow our customer base.

Good Energy has firmly established itself as a leading renewable energy company, with a resilient business model. It is well positioned to respond and adapt to changes in the market place.

> "Good Energy has firmly established itself as a leading renewable energy company... ...well positioned to respond and adapt to changes in the market place.

Woolbridge school pupils find out about their Good Energy-funded solar panels.

Juliet Davenport

Chief Executive
24 March 2015

Chief Financial Officer's Review

Financial performance

Consolidated revenue continued to grow strongly in 2014 , increasing 43% to £57.6m (2013: £40.4m,) with all segments of the Group contributing to the rise. This reflects the benefits of continued customer growth, the increase in generation assets and the sale of West Raynham.

Consolidated gross profit increased by 38% to £18.8m (2013: £13.6m) with strong customer growth partially offset by lower energy usage that affected the energy industry as a whole. Consolidated gross margin reduced to 33% (2013: 34%) reflecting the impact of our price freeze in Q1 2014, the increased proportion of total revenues coming from lower margin business sales and a partial year of generation from our new renewable assets.

Administration expenses increased 55% to £15.0m (2013: £9.7m). This increase reflects the associated costs to serve our growing customer base, together with investment in marketing and brand expenditure, people and process improvements and an increase in regulatory costs.

Profit before tax and exceptional items is £2.2m (2013: £3.3m) reflecting strong customer growth and the sale of West Raynham, offset by lower energy usage, in common with the rest of the energy sector, and our increased investment in the business.

Finance costs increased in 2014 due to increased borrowings in the year, associated costs of borrowing and the re-financing of the Hampole loan at a more competitive rate, which incurred an exceptional cost of £0.9m.

Delabole wind farm, Cornwall.

Financial positioning and financing

The Consolidated Statement of Financial Position for the Group shows a Shareholders' Equity of £17.9m (2013: £16.5m) representing growth of 8% (£1.4m) as a result of the profit generated in the year.

Total assets have increased by 42% (£23.3m) to £79.3m (2013: £56.0m), reflecting our continued investment in generation assets at both the early stage of development and through to full construction and operation.

Revenue growth by segment

	2014	2013	%	Notes
Supply	£45.7m	£34.3m	+33%	Strong customer growth, partly offset by lower average usage
Generation	£3.9m	£2.5m	+56%	New wind and solar sites commissioned
Development	£10.2m	£5.0m	+104%	Sale of West Raynham

To support further growth, we announced in December 2014 that we had entered into a non-recourse debt financing facility of up to £45 million with GCP Infrastructure Investments Limited, a London listed infrastructure debt fund (the "Facility").

The Facility represents the next stage of our strategy, enabling the construction of a further 18MW of solar sites. The Facility will support the further development and construction of Good Energy's solar generation portfolio, bringing the total capacity of wind and solar to 42MW by the end of Q2.

Good Energy will retain 100% of the equity in each of the sites and the Facility will also be used to refinance the existing debt facility on the Hampole wind farm and its two existing operational solar sites. The Facility has a fixed rate of interest of 6.85%.

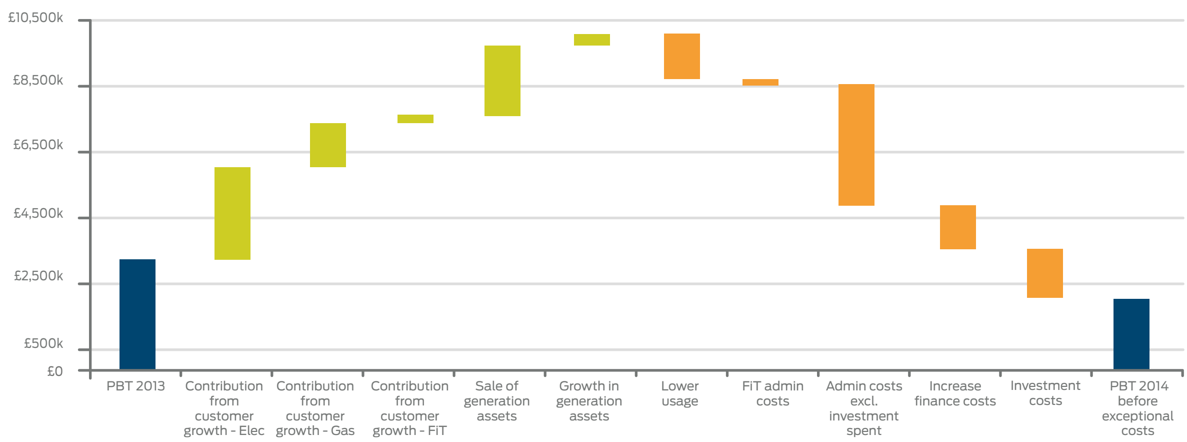
Principal risks and uncertainties

The Group maintains a risk register which identifies and monitors key risks and sets out actions to avoid or mitigate them. Responsibilities for actions are assigned to senior management. The register is monitored by the Audit and Risk Management Committee and reviewed annually by the Board.

The principal risks to the Company are:

Political risk - Regulation of the energy sector continues to be a significant factor as noted in the Chief Executive's Review. Regulations are frequently modified, requiring further action by the renewable generation industry. Modifications may impact existing or early stage renewable energy projects or customer service requirements. These could lead to changes in operating conditions (requiring increased capital or operational spend) or could act as barriers

Profit Bridge



2014 PBT was impacted by lower energy usage, in common with the rest of the industry, and investment to support growth.

to future development. Changes to regulations or utility policies are considered as part of the review of the Group's operating strategy and our robust operating model is a key mitigation for these risks.

Energy price volatility - Revenues from energy sales may be affected by fluctuations in the wholesale price of energy and the associated costs of buying. This could lead to necessary pricing action taken by the Company resulting in a possible loss of customers if other energy providers with larger portfolios could remain more competitive. The Company's vertical integration and forward-looking operating model helps to mitigate this risk.

Financial risks - Default loan covenants relating to the financing agreements on generation assets are in place. At the time the financing was agreed, assumptions were used to ensure that sufficient cash flows would be generated to ensure default is unlikely. There are also insurance and maintenance agreements in place to mitigate lost revenues from unforeseen operational issues. The revolving credit facility contains covenants based on the performance of trading and supply companies which, if breached, would require the facility to be repaid. The Group's financial performance against its covenants are reviewed on a regular basis to ensure that the mitigation remains appropriate for the business.

> "Total assets have increased by 42% to £79.3m, reflecting our continued investment in generation assets.

Outlook

2014 has seen good progress towards our strategic objectives of delivering customer growth, increasing investment in renewable energy assets and securing long term finance to support the development of our generation portfolio. We have also continued to invest in the business to support its continued growth. Despite the challenging trading conditions in 2014, we remain confident of the outlook for the business in 2015 and beyond, and are well positioned to take advantage of the opportunities for growth that we see in the energy sector.

Denise

Denise Cockrem

Chief Financial Officer
24 March 2015

Directors' Report

16–28

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 2014. This report includes the Corporate Governance section and the Directors' responsibility statement.

The Company is required to set out a fair review of the group's activities and a description of the principal risks and uncertainties facing the business, which can be found in the Strategic Report on pages 5 to 15. This requirement includes an analysis of the development and performance of the Company's business during the financial year, and the position of the Group at the end of the reporting period consistent with its size and complexity.

The Directors' Report has been prepared and is published in accordance with, and with 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 2014, the Company's issued share capital was 14,667,896 of Ordinary Shares of 5p each. Ordinary Shares in the Group carry rights to dividends and Ordinary shareholders 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 82.

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 208,863 (2013: 387,998) 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 179,135 (2013: 390,832) shares as a result of exercised options.

Registered office details

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.

Good Energy Group

Significant shareholders

Significant shareholders holding over 3% of the issued share capital as at 31 December 2014, other than any Directors and their family as defined in the AIM rules, are detailed below:

	31 December 2014	% of Issued Share Capital	31 December 2013	% of Issued Share Capital
Green Beannie Limited	2,352,597	16.04%	-	0%
Legal and General Investment	1,176,471	8.02%	1,176,471	8.02%
Schroders PLC	592,685	4.04%	3,059,262	20.86%
John Sellers	588,797	4.01%	640,797	4.37%
Berti Investment Limited	486,318	3.32%	-	0%
Peter Dixon Edwards	451,098	3.08%	451,098	3.08%

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 21.

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 2014	% of Issued Share Capital	31 December 2013	% of Issued Share Capital
Martin Edwards [2]	686,827	4.68%	686,827	4.68%
Juliet Davenport	592,810	4.04%	475,194	3.24%
John Maltby	120,000	0.82%	120,000	0.82%
Garry Peagam [3]	14,000	0.10%	201,000	1.37%
Richard Squires	36,000	0.25%	36,000	0.25%
Francesca Ecsery	2,400	0.02%	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 28).
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. Garry Peagam stepped down as Group Financial Director on 30 April 2014.

Dusk falls at Delabole wind farm, Cornwall.

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, overdraft and revolving credit facilities.

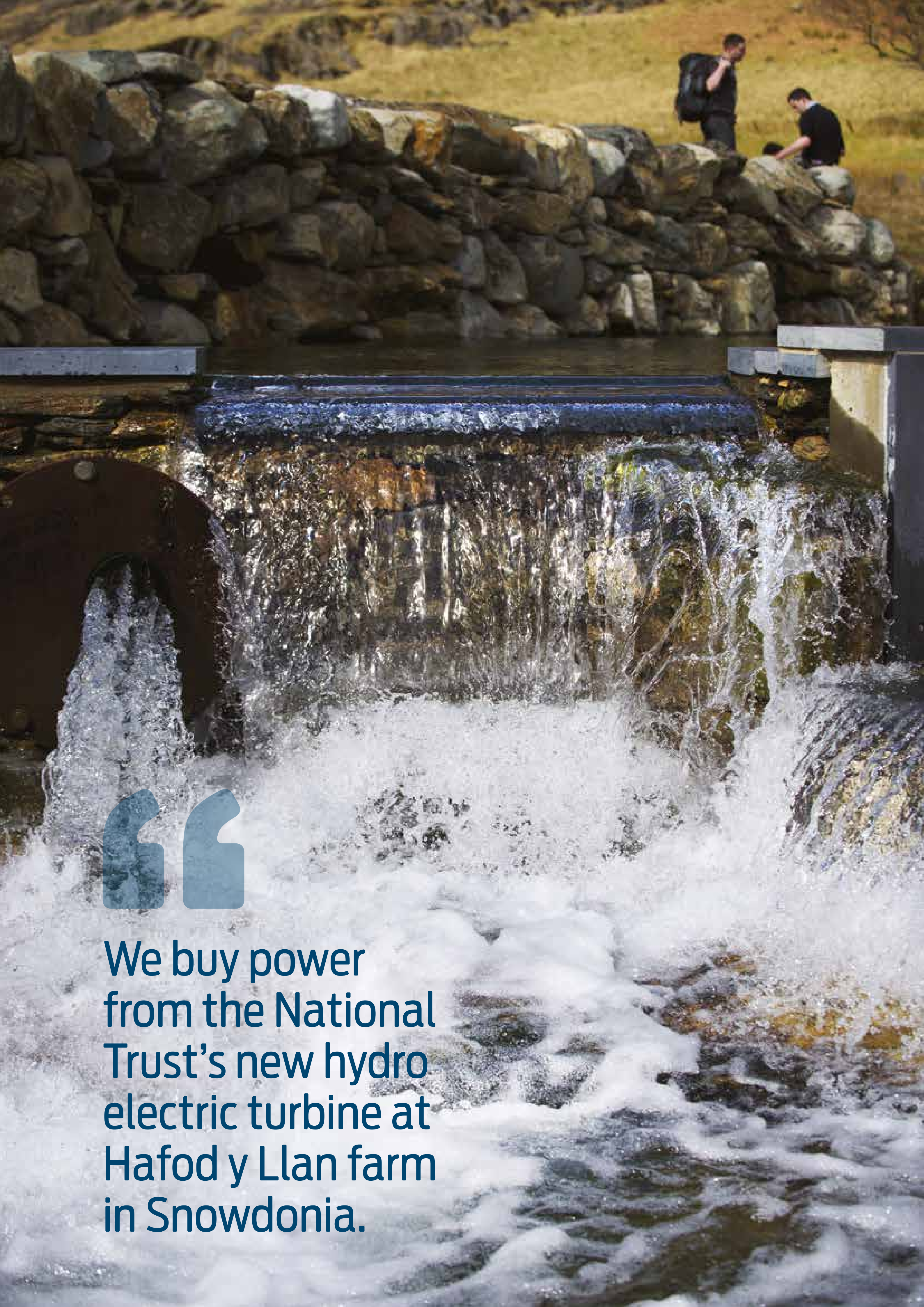
The principal objective of these instruments is to raise funds for general corporate purposes and to manage financial risk. Further details of these instruments are given in Notes 22 and 24 in the Financial Statements.

Future developments

Details of future developments are given in the Chief Executive's Overview on page 12.

Research and development

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



"We buy power from the National Trust's new hydro electric turbine at Hafod y Llan farm in Snowdonia.

Corporate Governance

The Group recognises the importance of good corporate governance practices. The Board is familiar with the UK Corporate Governance Code, although it is not currently required to comply with the Code. The directors have decided to provide certain corporate governance disclosures that would be required of a fully listed company.

Annual General Meeting (AGM) 2015

Date 27 April 2015

Time 10:30 am

Venue The Lansdowne Club
9 Fitzmaurice Place
Mayfair
London, W1J 5JD

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 Risk Management Committee; Member of the Remuneration Committee
Denise Cockrem [1]	Chief Financial Officer	Richard Squires	Chair of the Audit and Risk Management Committee
		Martin Edwards	Chair of the Remuneration Committee
		Francesca Ecsery [2]	Member of the Audit and Risk Management Committee; Member of the Remuneration Committee

Notes

1. Denise Cockrem was appointed to the Board as Chief Financial Officer on 1 May 2014. Garry Peagam stepped down as Group Finance Director on 30 April 2014.
2. Independent Non-Executive Directors.

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, Director of People and Culture and Director of Communications. During the year ended 31 December 2014, there were seven 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.

The Group's performance is reviewed at these scheduled meetings 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. This committee convened twice in the year ended 31 December 2014. The primary duty of the Remuneration Committee is to supervise and advise the Group's policy in relation to the remuneration of the Executive Directors and senior managers of the Group, on behalf of the Board. 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 25-28.

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are Richard Squires, John Maltby and Francesca Ecsery. John Maltby is considered to have recent, relevant financial experience. The Chief Executive and Chief Financial Officer are normally invited to attend meetings of the committee. The Committee met three times in the year ending 31 December 2014.

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 at least annually with the Group's external auditors to review and agree the auditor services being provided to the Group, including any non-audit services. It 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 controls. The responsibility for reviewing the effectiveness of its internal control system has been delegated to the Audit and Risk Management Committee, which reviews this 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 2014 accounts. Refer to page 43 for further details.

The Solar Schools 10:10 programme benefited from Good Energy's support during 2014.

Directors' responsibilities statement

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 this 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.

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.

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

Good Energy Group

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 2014. A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

By order of the Board

Stephen Rosser

Company Secretary
24 March 2015

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 2014. 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 22. 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	2014 Salary £
Juliet Davenport	Chief Executive	2 August 2007	9 months	185,940
Denise Cockrem	Chief Financial Officer	22 January 2014	6 months	175,000

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:

Name	Date of appointment	Notice period	2014 Salary £
John Maltby	15 October 2012	3 months	40,800
Richard Squires	28 June 2011	3 months	28,050
Martin Edwards	7 May 2008	3 months	24,000
Francesca Ecsery	15 November 2012	3 months	33,456

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.

Good Energy's solar site at Creathorne Farm, north Cornwall, was commissioned in the summer of 2014.

Salary, annual bonus and benefits

Non-Executive Chairman	Salary/ fees £	Compensation for loss of office £	Pension Contributions £	Benefits in kind £	Annual Bonus £	Total 2014 £	Total 2013 £
John Maltby	40,800	-	-	-	-	40,800	40,213
Executive Directors							
Juliet Davenport	185,940	-	22,950	1,983	41,310	252,183	295,432
Denise Cockrem [1]	231,706[2]	-	11,667	1,048	27,708	272,129	-
Garry Peagam [1]	50,733	182,475	4,833	985	-	239,026	221,098
Non-Executive Directors							
Richard Squires	28,050	-	-	-	-	28,050	27,500
Martin Edwards	24,000	-	-	-	-	24,000	20,500
Francesca Ecsery	33,456	-	-	-	-	33,456	32,800
Total	594,685	182,475	39,450	4,016	69,018	889,644	637,543

Notes

1. Denise Cockrem was appointed to the Board as Chief Financial Officer on 1 May 2014. Garry Peagam stepped down as Group Finance Director on 30 April 2014.
2. Included within salary is a signing on bonus of £108,373.

Directors' share options

Details of the Directors' share options outstanding at 31 December 2014 are shown below.

Name	Date option granted	Number of options	Option price	Exercised	Cancelled/ surrendered	Options outstanding at 31 December 2014
Juliet Davenport	01/05/2002	117,616	£0.50	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	-	590,014	-	117,616	-	472,398
Richard Squires	13/02/2012	75,000	£1.15	-	-	75,000
Overall Total	-	665,014	-	117,616	-	547,398

On the exercise of options during 2014, the Executive Directors realised a total gain of £187,077 which related to the Chief Executive.

Independent Auditors' Report

To the members of Good Energy Group PLC

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Independent Auditors' Report to the members of Good Energy Group PLC.

Report on the financial statements

Our opinion

In our opinion:

- Good Energy Group PLC's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 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 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.

What we have audited

Good Energy Group PLC's financial statements comprise:

- the Consolidated and Parent Company Statements of Financial Position as at 31 December 2014;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and Parent Company Statements of Cash Flows for the year then ended;
- the Consolidated and Parent Company Statements 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 the preparation of the financial statements 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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 23, 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 International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report & Financial Statements 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.

Colin Bates (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
24th March 2015

> Turbine blades are lifted into place at our new wind farm in Hampole, near Doncaster.

Financial Statements

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Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Note	2014 £000's	2013 £000's
REVENUE	5	**57,618**	*40,407*
Cost of Sales	5	**(38,782)**	*(26,822)*
GROSS PROFIT		**18,836**	*13,585*
Administrative Expenses	6	**(15,045)**	*(9,727)*
OPERATING PROFIT	6	**3,791**	*3,858*
Finance Income	10	**87**	*116*
Finance Costs (including exceptional items)	11	**(2,590)**	*(719)*
PROFIT BEFORE TAX AND EXCEPTIONAL FINANCE COSTS		**2,169**	*3,255*
Exceptional finance cost	11	**(881)**	-
PROFIT BEFORE TAX		**1,288**	*3,255*
Taxation	12	**520**	*(586)*
PROFIT FOR THE YEAR		**1,808**	*2,669*
OTHER COMPREHENSIVE INCOME:			
Items that may subsequently be reclassified to profit or loss			
(Loss)/gain on cash flow hedge		**(328)**	*328*
Other comprehensive income for the year, net of tax		**(328)**	*328*
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**1,480**	*2,997*
Earnings per share from profit for the year - Basic	13	**12.6p**	*20.9p*
- Diluted	13	**11.9p**	*19.6p*

The notes on pages 42 to 81 form part of these Financial Statements.

Consolidated Statement of Financial Position
As at 31 December 2014

Company registered no: 04000623

	Note	2014 £000's	2013 £000's
Non-current assets			
Property, plant and equipment	14	**44,729**	*20,112*
Intangible assets	15	**3,530**	*3,478*
Derivative financial instruments	24	**-**	*328*
Available-for-sale financial assets	16	**500**	*-*
Total non-current assets		**48,759**	*23,918*
Current assets			
Inventories	17	**6,466**	*6,128*
Trade and other receivables	18	**10,281**	*7,952*
Current tax receivable	12	**109**	*-*
Cash and cash equivalents	19	**13,703**	*17,975*
Total current assets		**30,559**	*32,055*
TOTAL ASSETS		**79,318**	*55,973*
Equity and Liabilities			
Capital and reserves			
Called up share capital	20	**733**	*733*
Share premium account	20	**9,077**	*9,077*
EBT shares		**(127)**	*(236)*
Retained Earnings		**8,260**	*6,890*
Total equity attributable to members of the parent company		**17,943**	*16,464*
Non-current liabilities			
Deferred taxation	21	**15**	*738*
Borrowings	22	**39,676**	*24,667*
Total non--current liabilities		**39,691**	*25,405*
Current liabilities			
Borrowings	22	**6,608**	*674*
Derivative financial instruments	24	**-**	*52*
Trade and other payables	23	**15,076**	*12,875*
Current tax payable	12	**-**	*503*
Total current liabilities		**21,684**	*14,104*
Total liabilities		**61,375**	*39,509*
TOTAL EQUITY AND LIABILITIES		**79,318**	*55,973*

The Financial Statements on pages 35 to 81 were approved by the Board of Directors on 24 March 2015 and signed on its behalf by:

Juliet Davenport
Chief Executive
24 March 2015

The notes on pages 42 to 81 form part of these Financial Statements.

Parent Company Statement of Financial Position
As at 31 December 2014

Company registered no: 04000623

	Note	2014 £000's	2013 £000's
Non-current assets			
Intangible assets	15	-	4
Investments	16	29,941	27,728
Total non-current assets		29,941	27,732
Current assets			
Trade and other receivables	18	365	136
Cash and cash equivalents	19	509	379
Total current assets		874	515
TOTAL ASSETS		30,815	28,247
Equity and Liabilities			
Capital and reserves			
Called up share capital	20	733	733
Share premium account	20	9,077	9,077
EBT shares		(127)	(236)
Retained Earnings		4,071	1,602
Total Equity		13,754	11,176
Non-current liabilities			
Borrowings	22	14,695	14,250
Total non-current liabilities		14,695	14,250
Current liabilities			
Borrowings	22	2,272	1,374
Trade and other payables	23	94	1,357
Current tax payable	12	-	90
Total current liabilities		2,366	2,821
Total liabilities		17,061	17,071
TOTAL EQUITY AND LIABILITIES		30,815	28,247

The Financial Statements on pages 35 to 81 were approved by the Board of Directors on 24 March 2015 and signed on its behalf by:

Juliet Davenport
Chief Executive
24 March 2015

The notes on pages 42 to 81 form part of these Financial Statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2014

	Share Capital £000's	Share Premium Account £000's	EBT Shares £000's	Retained Earnings £000's	Total Equity £000's
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***
At 1 January 2014	**733**	**9,077**	**(236)**	**6,890**	**16,464**
Profit for the year	-	-	-	1,808	1,808
Other comprehensive income for the year	-	-	-	(328)	(328)
Total comprehensive income for the year	-	-	-	**1,480**	**1,480**
Share based payments	-	-	-	30	30
Tax credit relating to share option scheme	-	-	-	311	311
Sale of shares by EBT	-	-	109	21	130
Dividend Paid	-	-	-	(472)	(472)
Total contributions by and distributions to owners of the parent, recognised directly in equity	**-**	**-**	**109**	**(110)**	**(1)**
At 31 December 2014	**733**	**9,077**	**(127)**	**8,260**	**17,943**

The notes on pages 42 to 81 form part of these Financial Statements.

Good Energy Group

Parent Company Statement of Changes in Equity
For the year ended 31 December 2014

	Share Capital £000's	Share Premium Account £000's	EBT Shares £000's	Retained Earnings £000's	Total Equity £000's
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*
At 1 January 2014	**733**	**9,077**	**(236)**	**1,602**	**11,176**
Profit for the year and total comprehensive income	-	-	-	**2,920**	**2,920**
Sale of shares by EBT	-	-	109	21	130
Dividend Paid	-	-	-	(472)	(472)
Total contributions by and distributions to owners of the parent, recognised directly in equity	-	-	**109**	**(451)**	**(342)**
At 31 December 2014	**733**	**9,077**	**(127)**	**4,071**	**13,754**

The notes on pages 42 to 81 form part of these Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2014

	Note	2014 £000's	2013 £000's
Cash flows from operating activities			
Cash generated from operations	26	**3,697**	*938*
Finance income		**87**	*116*
Finance cost		**(2,644)**	*(647)*
Income tax paid		**(500)**	*(64)*
Net cash flows from operating activities		**640**	*343*
Cash flows from investing activities			
Purchase of property, plant and equipment		**(18,316)**	*(9,364)*
Purchase of intangible fixed assets	15	**(619)**	*(1,073)*
Acquisition of available-for-sale financial assets		**(500)**	-
Net cash flows used in investing activities		**(19,435)**	*(10,437)*
Cash flows from financing activities			
Payments of dividends	25	**(472)**	*(377)*
Proceeds from borrowings		**25,983**	*2,433*
Repayment of borrowings		**(11,035)**	*(390)*
Proceeds from issue of corporate bond		-	*14,229*
Capital repayments of finance leases		**(83)**	*(153)*
Proceeds from issue of shares		-	*2,455*
Purchase of own shares		-	*(3)*
Sale of own shares		**130**	*340*
Net cash flows from financing activities		**14,523**	*18,534*
Net (decrease)/increase in cash and cash equivalents		**(4,272)**	*8,440*
Cash and cash equivalents at beginning of year		**17,975**	*9,535*
Cash and cash equivalents at end of year		**13,703**	*17,975*

The notes on pages 42 to 81 form part of these Financial Statements.

Parent Company Statement of Cash Flows
For the year ended 31 December 2014

	Note	2014 £000's	2013 £000's
Cash flows from operating activities			
Cash generated from operations	26	**1,424**	*1,224*
Finance income		-	*185*
Finance cost		**(1,087)**	*(89)*
Income tax paid		-	*(1)*
Net cash flows from/(used in) operating activities		**337**	*1,319*
Cash flows from investing activities			
Purchase of subsidiary company		-	*(3,014)*
Net cash flows used in investing activities		-	*(3,014)*
Cash flows from financing activities			
Payment of dividends	25	**(472)**	*(377)*
Intercompany loans		**135**	*(14,734)*
Proceeds from issue of corporate bond		-	*14,229*
Proceeds from issue of shares		-	*2,455*
Purchase of own shares		-	*(3)*
Sale of own shares		**130**	*340*
Net cash flows (used in)/from financing activities		**(207)**	*1,910*
Net increase in cash and cash equivalents		**130**	*215*
Cash and cash equivalents at beginning of year		**379**	*164*
Cash and cash equivalents at end of year		**509**	*379*

The notes on pages 42 to 81 form part of these Financial Statements.

Good Energy Group

Notes to the Financial Statements
For the year ended 31 December 2014

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 activities of Good Energy Group PLC are those of a holding and management company to the Group and a lender to, and seller of, generation development sites.

The principal activities of its subsidiaries are: the purchase, generation and sale of electricity from renewable sources; the sale of gas; 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 (IFRIC) 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 or historic cost modified by revaluation of financial assets and financial liabilities held at fair value.

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 financial year.

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), Goodwill, intangible assets and amortisation (2.6), Inventories (2.11) and Credit risk (3.1.3).

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of Significant Accounting Policies (continued)

2.2 Going Concern

The Group meets its day to day capital requirements through positive cash balances held on deposit or through its bank facilities. The current economic conditions continue to create opportunities and uncertainties which can impact the level of demand for the Group's products and the availability of bank finance for the foreseeable future. The Group's forecasts and projections , taking account of the possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities, particularly in light of its recently negotiated £45m facility.

The Parent Company has net current liabilities but this is mainly due to a large inter-company creditor which is expected to be settled in 2015.

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 2014:

	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
IAS 27 (revised 2011) 'Separate financial statements'	1 January 2014
IAS 28 (revised 2011) 'Associates and joint ventures'	1 January 2014
Amendments to IFRS 10, 11 and 12 on transition guidance	1 January 2014
Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities	1 January 2014
Amendment to IAS 32 on Financial instruments asset and liability offsetting	1 January 2014
Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures	1 January 2014
Amendment to IAS 39 'Financial instruments: Recognition and measurement' on novation of derivatives and hedge accounting	1 January 2014
IFRIC 21, 'Levies'	1 January 2014

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 2014

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 9, 'Financial instruments' – classification and measurement	1 January 2015
Amendments to IFRS 9, 'Financial instruments' – regarding hedge accounting	1 January 2015
Amendment to IAS 19 regarding defined benefits plans	1 January 2015
Annual improvements 2012	1 January 2015
Annual improvements 2013	1 January 2015

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 its subsidiaries 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. 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.

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.

Inter-company transactions and balances between Group enterprises are eliminated on Consolidation.

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of Significant Accounting Policies (continued)

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 electricity, gas, 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 provides 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 2014

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 Goodwill, 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 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.

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 asset 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	between 3 and 10 years
Website development costs	between 2 and 5 years

Amortisation of intangible assets is included in the Consolidated Statement of Comprehensive Income in 'administrative expenses'.

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of Significant Accounting Policies (continued)

2.6.4 Impairment

The Directors regularly review intangible assets for impairment and provision is made if necessary. Assets with an indefinite useful life, eg 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
Turbines & ancillaries	24 years
Solar panels & ancillaries	between 27 years and 29 years
Assets under construction	not depreciated

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 Investments

An undertaking is regarded as a subsidiary undertaking if the Company has control over its operating and financial policies. Investments in subsidiary undertakings that are directly owned by the Company are stated at cost less amounts written-off for any permanent diminution in value.

2.9 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 financial 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.

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of Significant Accounting Policies (continued)

2.10 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.

2.11 Inventories

2.11.1 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 over a 12 month period, 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.

2.11.2 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.

2.12 Current and Deferred Taxation

The tax credit represents the sum of the tax currently receivable and deferred tax. The tax currently receivable 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 financial 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 financial 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.

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of Significant Accounting Policies (continued)

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.

2.13 Available-for-sale financial assets

Equity instruments held by the Group and designated as available-for-sale are carried at fair value, with movements in fair value recognised in other comprehensive income. Where fair value cannot be reliably measured, the assets are approximated at cost. Cumulative fair value gains or losses on an asset are recycled through the income statement when the asset is disposed or impaired. A significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. Impairments are recognised in the income statement.

2.14 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.

2.14.1 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 counter-party 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.

2.14.2 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.

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of Significant Accounting Policies (continued)

2.14.3 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.

2.14.4 Borrowings

The Group expenses borrowing costs over the term of the loan facility. 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.

2.15 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 financial 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 to meet that obligation, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.16 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.

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of Significant Accounting Policies (continued)

2.17 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.

The fair values of derivative financial instruments and the movements on the hedging reserve in other comprehensive income ('OCI') are shown in note 24.

2.17.1 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'.

2.18 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.

2.19 Finance income

Finance income is received in respect of cash deposits and 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 finance income. Finance income on impaired loan and receivables is recognised using the original effective interest rates.

2.20 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

2.20 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.

Notes to the Financial Statements
For the year ended 31 December 2014

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 may use 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 recasts 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.

A liquidity analysis of financial instruments is provided below:

Parent Company 31 December 2014	**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	**1,088**	**1,088**	**16,189**	**-**
Loan from group companies	**2,272**	**-**	**-**	**-**
Trade and other payables	**94**	**-**	**-**	**-**
Total	**3,454**	**1,088**	**16,189**	**-**

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*	-

Notes to the Financial Statements
For the year ended 31 December 2014

3. Financial and Capital Risk Management (continued)

Consolidated 31 December 2014	**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**
Borrowings	**8,874**	**2,620**	**8,333**	**32,982**
Corporate bond	**1,088**	**1,088**	**16,189**	**-**
Trade and other payables	**15,076**	**-**	**-**	**-**
Total	**25,038**	**3,708**	**24,522**	**32,982**

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*	-	-	-
Borrowings	*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*

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, that when it is deemed appropriate, the Group will forward buy Euros against major contracts to reduce foreign exchange exposure. As at 31 December 2014 €nil (2013: €2,869,000) were purchased forward.

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 may use 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.

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.

Notes to the Financial Statements
For the year ended 31 December 2014

3. Financial and Capital Risk Management (continued)

3.1.3 Credit risk

The Group's exposure to credit risk arises from its receivables from customers. At 31 December 2014 and 2013, 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 of 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 £30,000 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.

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 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	**2014**	*2013*
		£000's	*£000's*
Total borrowings	22	**46,284**	*25,341*
Less: cash and cash equivalents	19	**(13,703)**	*(17,975)*
Net debt		**32,581**	*7,366*
Total equity		**17,943**	*16,464*
Total capital		**50,524**	*23,830*
Gearing ratio		**64.5%**	*30.9%*

The Group's borrowings are subject to maintaining covenants as defined by the debt funder. Throughout the year ended 31 December 2014 the Group complied with all external borrowing covenants and management monitors the continued compliance with these covenants on a monthly or quarterly basis.

The Group is satisfied the increase in gearing is appropriate as it is due to the debt drawn against long term power generation assets with highly predictable revenue streams.

Notes to the Financial Statements
For the year ended 31 December 2014

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 detailed below. 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 fourteen months after the supply date.

4.2 Power purchase costs

Power purchase costs can typically take 14 months from the date of supply 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.

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 the selection of 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.

Notes to the Financial Statements
For the year ended 31 December 2014

4. Critical Accounting Estimates (continued)

4.5 Provisions for bad and doubtful debt

The assessments undertaken in recognising provisions 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.

4.6 Recoverability of capitalised generation project costs

Generation project costs capitalised in inventory are reviewed by management on a monthly basis. Where management deem that on balance of probability, the likely planning outcome for a given generation site will prevent it being constructed or sold, a write off provision is made for the full amount of the inventory relating to that site after excluding a prudent assessment of recoverable costs. Where possible, recoverable costs will be estimated based on known market values.

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. Following a change to the internal reporting structure in the year, the main segments are:-

- Supply Companies (including electricity supply, FIT administration and gas supply);
- Electricity Generation Companies (including wind and solar generation companies);
- Generation Development (including early stage development companies); and
- Holding companies, being the activity of Good Energy Group PLC.

The Board assesses the performance of the operating segments based primarily on summary financial information, 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:

Good Energy Group

Notes to the Financial Statements
For the year ended 31 December 2014

5. Segmental Analysis (continued)

Year ended 31 December 2014	Electricity Supply £000's	FIT admin-istration £000's	Gas Supply £000's	Total Supply Companies £000's	Electricity Generation £000's	Generation Development £000's	Holding Companies/ Consolidation Adjustments £000's	Total £000's
Revenue								
Revenue from external customers	*31,593*	*2,544*	*11,568*	**45,705**	1,754	10,159	-	57,618
Inter-segment revenue	-	-	-	**-**	2,106	-	(2,106)	-
Total revenue	*31,593*	*2,544*	*11,568*	**45,705**	3,860	10,159	(2,106)	57,618
Expenditure								
Cost of sales	*(19,789)*	*(1,619)*	*(9,064)*	**(30,472)**	(1,840)	(6,470)	-	(38,782)
Inter-segment cost of sales	*(2,106)*	-	-	**(2,106)**	-	-	2,106	-
Gross profit	*9,698*	*925*	*2,504*	**13,127**	2,020	3,689	-	18,836
Administrative expenses				**(11,812)**	(271)	(1,251)	(895)	(14,229)
Depreciation & amortisation				**(808)**	-	(4)	(4)	(816)
Operating profit/(loss)				**507**	1,749	2,434	(899)	3,791
Net finance income/(costs)				**(13)**	(2,346)	(430)	286	(2,503)
Profit/(loss) before tax				**494**	(597)	2,004	(613)	1,288
Segments assets & liabilities								
Segment assets				**21,910**	63,214	13,626	(19,432)	79,318
Segment liabilities				**(15,000)**	(58,518)	(16,889)	29,032	(61,375)
Net assets/ (liabilities)				**6,910**	4,696	(3,263)	9,600	17,943
Additions to non-current assets				**247**	25,208	-	-	25,455

Notes to the Financial Statements
For the year ended 31 December 2014

5. Segmental Analysis (continued)

Year ended 31 December 2013	Electricity Supply £000's	FIT admin-istration £000's	Gas Supply £000's	Total Supply Companies £000's	Electricity Generation £000's	Generation Development £000's	Holding Companies/ consolidation adjustments £000's	Total £000's
Revenue								
Revenue from external customers	25,000	2,316	7,032	**34,348**	1,112	4,947	-	40,407
Inter-segment revenue	-	-	-	**-**	1,369	-	(1,369)	-
Total Revenue	25,000	2,316	7,032	**34,348**	2,481	4,947	(1,369)	40,407
Expenditure								
Cost of sales	(16,133)	(890)	(5,619)	**(22,642)**	(833)	(3,347)	-	(26,822)
Inter-segment cost of sales	(1,369)	-	-	**(1,369)**	-	-	1,369	-
Gross Profit	7,498	1,426	1,413	**10,337**	1,648	1,600	-	13,585
Administrative expenses				**(6,744)**	(188)	(977)	(1,137)	(9,046)
Depreciation & amortisation				**(674)**	-	(4)	(3)	(681)
Operating profit/(loss)				**2,919**	1,460	619	(1,140)	3,858
Net finance income/(costs)				**158**	(652)	(185)	76	(603)
Profit/(loss) before tax				**3,077**	808	434	(1,064)	3,255
Segments assets & liabilities								
Segment assets				**27,860**	20,738	4,503	2,872	55,973
Segment liabilities				**(21,359)**	(16,667)	(6,657)	5,174	(39,509)
Net assets/ (liabilities)				**6,501**	4,071	(2,154)	8,046	16,464
Additions to non-current assets				**1,349**	9,453	6	-	10,808

All turnover arose within the United Kingdom.

Consolidation adjustments relate to inter-company sales of generated electricity and the elimination of inter-company balances.

Notes to the Financial Statements
For the year ended 31 December 2014

6. Operating Profit and Administrative Expenses

	Note	2014 £000's	*2013 £000's*
The operating profit is stated after charging:			
Depreciation of property, plant and equipment	14	1,347	*634*
Amortisation of intangible assets	15	567	*533*
Operating lease rentals		329	*315*
Auditors' Remuneration			
Audit of parent and consolidated accounts		20	*15*
Audit of subsidiaries		95	*56*
Audit related assurance services		7	*12*
Subtotal (audit)		122	*83*
Other services-Financial statement preparation		22	*11*
Tax		20	*34*
Subtotal (non-audit)		42	*45*
The administrative expenses comprise the following:			
Staff costs		6,640	*4,753*
Rent and office costs		3,759	*2,174*
Marketing costs		1,619	*836*
Professional fees and bank charges		1,528	*906*
Bad Debts		633	*377*
Depreciation and amortisation		866	*681*
Total		15,045	*9,727*

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 £2,919,980 (2013: £517,592).

Good Energy Group

Notes to the Financial Statements
For the year ended 31 December 2014

8. Staff Costs

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

	2014 £000's	2013 £000's
Wages and salaries	6,658	4,388
Social security costs	620	444
Share based payments	30	39
Other pension costs	272	218
Total	7,580	5,089

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:

	2014 Number	2013 Number
Operations	101	71
Business services	127	94
Total management and administration	228	165

9. Directors' and Key Management Remuneration

Directors' and Key Management emoluments	2014 £000's	2013 £000's
Aggregate emoluments	1,208	761
Contributions to money purchase pension schemes	57	43

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

During the year retirement benefits were accruing to 3 Directors of the Group (2013: 2) in respect of money purchase pension schemes.

In respect of the highest paid Director, the Group paid remuneration of £252,183 (2013: £276,432), including contributions to the money purchase pension scheme of £22,950 (2013: £19,000).

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 27.

10. Finance Income

	2014 £000's	2013 £000's
Bank and other interest receivable	87	116

Notes to the Financial Statements
For the year ended 31 December 2014

11. Finance Costs

	2014 £000's	2013 £000's
On borrowings and overdrafts	1,467	725
On corporate bond	929	125
Other interest payable	56	13
Fair value losses on foreign currency forward contracts	-	52
Amortisation of debt issue cost	196	20
Exceptional finance cost on repayment of borrowings	881	-
Total finance costs	3,529	935
Less: amounts capitalised on qualifying assets	(939)	(216)
Total	**2,590**	719

The exceptional cost relates to the cost incurred on 17 December 2014 in the settlement of the senior debt and related derivative used to fund the Hampole wind farm development.

12. Taxation

	2014 £000's	2013 £000's
Analysis of tax charge in year		
Current tax (see note below)		
Current Tax on profits for the year	-	537
Adjustments in respect of prior years	(108)	(46)
Total current tax	**(108)**	491
Deferred tax		
Origination and reversal of temporary differences	(420)	176
Adjustments in respect of prior years	8	(81)
Total deferred tax (see note 21)	**(412)**	95
Tax on profit on ordinary activities	**(520)**	586

Notes to the Financial Statements
For the year ended 31 December 2014

12. Taxation (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard weighted average rate of Corporation Tax in the UK of 21.50% (2013: 23.25%). The differences are explained as follows:

	2014 £000's	*2013* *£000's*
Profit before tax	**1,288**	*3,255*
Profit before tax multiplied by the weighted average rate of Corporation Tax in the UK of 21.5% (2013: 23.25%)	**277**	*756*
Tax effects of:		
Expenses not deductible for tax purposes	**(2)**	*27*
Non-taxable gain on sale of investment	**(728)**	*-*
Effects of changes in tax rate	**33**	*(29)*
Losses utilised	**-**	*(41)*
Adjustments in respect of prior year - current tax	**(108)**	*(46)*
Adjustments in respect of prior year - deferred tax	**8**	*(81)*
Total tax (credit)/charge for year (see note above)	**(520)**	*586*

During the year, the Group sold one of its subsidiaries (Good Energy West Raynham Solar Park Limited) and claimed Substantial Shareholding Exemption on the profit from sale. Primarily as a result of this, the Group incurred a net tax credit in the year.

Factors that may affect future tax charges

The main corporation tax rate was reduced from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015 under the Finance Act 2013. As no further reductions were substantively enacted at the balance sheet date, the relevant deferred tax balances continue to be measured at 20%. Apart from these changes, the factors that may affect future tax charges are expected to be similar to those in 2014.

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

	Parent Company		Consolidated	
	2014 £000's	*2013* *£000's*	2014 £000's	*2013* *£000's*
UK Corporation Tax on profits for the year	**-**	90	**(109)**	503

Notes to the Financial Statements
For the year ended 31 December 2014

13. Earnings Per Ordinary Share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares during the year after excluding 208,863 (2013: 387,998) shares held by Clarke Willmott Trust Corporation Limited in trust for the Good Energy Group Employee Benefit Trust.

	Consolidated	
	2014	*2013*
Profit attributable to owners of the Company (£000's)	**1,808**	*2,669*
Basic weighted average number of ordinary shares (000's)	**14,322**	*12,785*
Basic earnings per share	**12.6p**	*20.9p*

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all potentially dilutive ordinary shares. Potentially dilutive ordinary shares arise from awards made under the Group's share-based incentive plans. Where the vesting of these awards is contingent on satisfying a service or performance condition, the number of potentially dilutive ordinary shares is calculated based on the status of the condition at the end of the period. Potentially dilutive ordinary shares are actually dilutive only when the average market price of the Company's ordinary shares during the period exceeds their exercise price (options) or issue price (other awards). The greater any such excess, the greater the dilutive effect. The average market price of the Company's ordinary shares during the year was 243p (2013: 164p). The dilutive effect of share-based incentives was 863,326 shares (2013: 815,943 shares).

	Consolidated	
	2014	*2013*
Profit attributable to owners of the Company (£000's)	**1,808**	*2,669*
Weighted average number of diluted ordinary shares (000's)	**15,185**	*13,601*
Diluted earnings per share	**11.9p**	*19.6p*

Adjusted earnings per share

Adjusted earnings per share measures are calculated based on profit for the year from continuing operations attributable to owners of the Company before the adjusting items as below:

	Consolidated	
	2014	*2013*
Profit attributable to owners of the Company (£000's)	**1,808**	*2,669*
Adjusting items:		
Exceptional finance costs (£000's)	**881**	-
Tax effect of above adjustment (£000's)	**(189)**	-
Adjusted earnings (£000's)	**2,500**	*2,669*
Adjusted basic earnings per share	**17.5p**	*20.9p*
Adjusted diluted earnings per share	**16.5p**	*19.6p*

Notes to the Financial Statements
For the year ended 31 December 2014

14. Property, Plant and Equipment

Consolidated Year ended 31 December 2014	Leasehold improvements £000's	Furniture, fittings & equipment £000's	Generation assets £000's	Assets under construction £000's	Total £000's
Cost					
At 1 January 2014	212	980	11,733	9,449	22,374
Transfer of Assets under construction to Generation assets			9,449	(9,449)	-
Additions	35	213	14,057	11,659	25,964
At 31 December 2014	**247**	**1,193**	**35,239**	**11,659**	**48,338**
Accumulated depreciation					
At 1 January 2014	(103)	(672)	(1,487)	-	(2,262)
Charge for the year	(53)	(189)	(1,105)	-	(1,347)
At 31 December 2014	**(156)**	**(861)**	**(2,592)**	**-**	**(3,609)**
Net book value					
At 1 January 2014	109	308	10,246	9,449	20,112
At 31 December 2014	**91**	**332**	**32,647**	**11,659**	**44,729**

Consolidated Year ended 31 December 2013	Leasehold improvements £000's	Furniture, fittings & equipment £000's	Generation assets £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***

The Generation assets relate to electricity generating assets (wind turbines, solar panels and ancillaries). Those assets held within the Company's subsidiaries: Good Energy Delabole Wind Farm Limited; Good Energy Hampole Wind Farm Limited; Good Energy Woolbridge Solar Park Limited; Good Energy Creathorne Solar Park Limited have been pledged as security against bank and other loan liabilities. There is no charge against the assets held within Good Energy Rookwood Solar Park Limited.

Notes to the Financial Statements
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15. Intangible Assets

Consolidated Year ended 31 December 2014	Power supply Licences £000's	Software Licences £000's	Website development costs £000's	Goodwill £000's	Total £000's
Cost					
At 1 January 2014	180	3,249	132	1,446	5,007
Additions	-	619	-	-	619
At 31 December 2014	**180**	**3,868**	**132**	**1,446**	**5,626**
Accumulated amortisation					
At 1 January 2014	-	(1,400)	(129)	-	(1,529)
Charge for the year	-	(564)	(3)	-	(567)
At 31 December 2014	**-**	**(1,964)**	**(132)**	**-**	**(2,096)**
Net book value					
At 1 January 2014	180	1,849	3	1,446	3,478
At 31 December 2014	**180**	**1,904**	**-**	**1,446**	**3,530**

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***

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For the year ended 31 December 2014

15. Intangible Assets (continued)

Goodwill of £1,446,453 (2013: £1,446,453) comprises £1,060,996 (2013: £1,060,996) arising from the original acquisition of Good Energy Limited, and £385,457 (2013: £385,457) from the original acquisition of the wind farm at Delabole.

The carrying values of indefinite life assets included in intangible assets are: Goodwill of £1,446,453 (2013: £1,446,453) and Power Supply Licence of £180,000 (2013: £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	**2014**	2013
Gross margin	**26%**	*30%*
Growth rate beyond five year plan	**2%**	*2%*
Pre tax discount rate	**11%**	*14%*

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

Parent Company Year ended 31 December 2014	**Website development costs £000's**
Cost	
At 1 January 2014	9
Additions	-
At 31 December 2014	**9**
Accumulated amortisation	
At 1 January 2014	(5)
Charge for the year	**(4)**
At 31 December 2014	**(9)**
Net book value	
At 1 January 2014	4
At 31 December 2014	-

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15. Intangible Assets (continued)

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**

16a. Investments and Subsidiaries

Parent Company Year ended 31 December 2014	Shares in Group undertakings £000's	Loans to Group undertakings £000's	Total £000's
Cost and net book value			
At 1 January 2014	**9,081**	**18,647**	**27,728**
Intra-group share transfers	**(4,435)**	**4,435**	**-**
Additions	**-**	**65,763**	**65,763**
Repayments	**-**	**(63,550)**	**(63,550)**
At 31 December 2014	**4,646**	**25,295**	**29,941**

The intra-group share transfer relates to Good Energy Hampole Wind Farm Limited being transferred to ownership of Good Energy Generation Assets No.1 Limited.

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*

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 2014.

Good Energy Group

Notes to the Financial Statements
For the year ended 31 December 2014

16a. Investments and Subsidiaries (continued)

The Group had the following principal subsidiaries at 31 December 2014:

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 Generation Holding Company No.1 Limited	UK	100%	holding company for a generating asset sub group
Good Energy Generation Assets No.1 Limited	UK		holding company for generating assets subsidiaries
Good Energy Delabole Wind Farm Limited	UK	100%	generation of electric power by wind turbine machinery
Good Energy Hampole Wind Farm Limited	UK		generation of electric power by wind turbine machinery
Good Energy Woolbridge Solar Park Limited	UK		generation of electric power by solar panels
Good Energy Creathorne Solar Park Limited	UK		generation of electric power by solar panels
Good Energy Rookwood Solar Park Limited	UK	100%	generation of electric power by solar panels
Good Energy Carloggas Solar Park Limited	UK	100%	generation of electric power by solar panels

The subsidiaries above have all been included in the consolidated financial statements and all have 31 December year ends.

At 31 December 2014, a further 13 special purpose vehicles (SPVs) had been set up for electricity 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.

16b. Available-for-sale Financial Assets

Consolidated **Year ended 31 December 2014**	**Available-for-sale financial assets** **£000's**
Cost and Net book value	
At 1 January 2014	-
Additions	*500*
At 31 December 2014	*500*

Available-for-sale financial assets comprise £500,000 (2013: £nil) of unlisted securities denominated in sterling.

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17. Inventories

	Parent Company		Consolidated	
	2014	*2013*	**2014**	*2013*
	£000's	*£000's*	**£000's**	*£000's*
Renewable Obligation Certificates	-	-	**1,787**	*2,199*
Generation development sites	-	-	**4,679**	*3,929*
Total	-	-	**6,466**	*6,128*

As at 31 December 2014 there were Renewable Obligation Certificates (ROCs) of £896,223 (2013: £1,343,077) 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 financial period.

Costs shown in respect of Generation development sites are for on-going 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 £4,663,330 (2013: £2,401,505). At 31 December 2014, an impairment of £742,138 (2013: £850,000) had been made against these sites resulting in a net credit of £108,000 (2013: expense of £743,069) which is included in 'cost of sales'.

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18. Trade and Other Receivables

	Parent Company		Consolidated	
	2014	*2013*	**2014**	*2013*
	£000's	*£000's*	**£000's**	*£000's*
Gross trade receivables	**-**	*-*	**10,251**	*6,066*
Provision for impairment/non-payment of trade receivables	**-**	*-*	**(1,424)**	*(864)*
Net trade receivables	**-**	*-*	**8,827**	*5,202*
Prepayments	**6**	*4*	**900**	*1,696*
Inter-company receivables	**347**	*-*	**-**	*-*
Group relief receivable	**-**	*-*	**-**	*-*
Other taxation	**12**	*132*	**554**	*1,054*
Total	**365**	*136*	**10,281**	*7,952*

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. Some 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	2014 £000's	2013 £000's
Balance at 1 January	**864**	*839*
Increase in allowance for impairment/non-payment	**624**	*377*
Impairment/non-payment losses recognised	**(64)**	*(352)*
Balance at 31 December	**1,424**	*864*

Ageing analysis of trade receivables past due but not impaired	2014 £000's	2013 £000's
Current and not past due	***7,117***	3,896
1 to 2 months	***243***	678
2 to 3 months	***267***	121
Over 3 months	***1,200***	507
Total	***8,827***	5,202

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.

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19. Cash and Cash Equivalents

	Parent Company		Consolidated	
	2014	2013	**2014**	2013
	£000's	£000's	**£000's**	£000's
Cash at bank and in hand	**509**	*379*	**12,354**	*17,311*
Short-term bank deposits	**-**	-	**671**	*664*
Security deposits	**-**	-	**678**	-
Total	**509**	*379*	**13,703**	*17,975*

As part of the bank loan agreements, the lenders require a minimum cash balance to be held in separate reserve accounts. At the end of the year the total amount was £670,717 (2013: £664,631), which is included in short-term bank deposits in 2014. Included within cash at bank and in hand for both the parent company and the consolidated position is £415,434 (2013: £284,972) 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	
	2014	*2013*	**2014**	*2013*
	£000's	*£000's*	**£000's**	*£000's*
AA-	**415**	*285*	**415**	*285*
A+	**-**	-	**103**	-
A	**-**	-	**12,162**	*16,508*
BBB+	**-**	-	**-**	*11*
BB	**-**	*94*	**-**	*1,171*
B	**94**	-	**1,023**	-
Total	**509**	*379*	**13,703**	*17,975*

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

20. Share Capital and Share Premium

	Number of Shares	Ordinary Shares £000's	Share Premium £000's	Total £000's
At 1 January 2013	*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*
Proceeds from shares issued	-	-	-	-
At 31 December 2014	**14,667,896**	**733**	**9,077**	**9,810**

There was no issue of shares in 2014. In 2013, the Company issued 2,145,247 ordinary shares of 5p each for total consideration of £2,681,559 resulting in a share premium of £2,574,297. Costs of £225,900 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 208,863 (2013: 387,998) ordinary shares of the Company for the present and the future beneficiaries of the Good Energy Group Employee Share Option Scheme. 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 179,135 (2013: 390,832) shares as a result of options exercised and acquired nil (2013: 2,400) shares.

Notes to the Financial Statements
For the year ended 31 December 2014

21. Deferred Taxation

The provision for Deferred Taxation is made up as follows:

Consolidated	2014 £000's	2013 £000's
At 1 January	738	643
(Credited)/charged to the Consolidated Statement of Comprehensive Income	(412)	95
Credited to equity	(311)	-
At 31 December	15	738

	2014 £000's	2013 £000's
Deferred tax asset to be recovered after more than 12 months	(300)	-
Deferred tax asset to be recovered within 12 months	(376)	(92)
Sub total-deferred tax assets	(676)	(92)
Deferred tax liabilities to be settled after more than 12 months	691	830
Deferred tax liabilities to be settled within 12 months	-	-
Sub total-deferred tax liabilities	691	830
Total net deferred tax	15	738

Deferred tax assets	2014 £000's	2013 £000's
On short term timing differences	376	92
Losses	300	-
Total	676	92

Deferred tax liabilities	2014 £000's	2013 £000's
On accelerated capital allowances	691	830

Deferred tax assets/(liabilities)	Accelerated capital allowances £000's	Short-term timing differences £000's	Losses £000's	Total £000's
At 1 January 2013	(746)	103	-	(643)
Charged to the income statement	(84)	(11)	-	(95)
At 31 December 2013	(830)	92	-	(738)
Credited to the income statement	152	(40)	300	412
Credited to equity	-	311	-	311
At 31 December 2014	(678)	363	300	(15)

The Group and Company has unutilised management charges of £19,261 (2013: £19,261) resulting in a deferred tax asset which has not been recognised.

Notes to the Financial Statements
For the year ended 31 December 2014

22. Borrowings and Other Financial Liabilities

	Parent Company		Consolidated	
	2014	*2013*	**2014**	*2013*
	£000's	*£000's*	**£000's**	*£000's*
Current:				
Bank and other borrowings	**-**	-	**6,608**	*553*
Finance lease liabilities	**-**	-	**-**	*121*
Loans from Group companies	**2,272**	1,374	**-**	-
Total	**2,272**	1,374	**6,608**	*674*

	Parent Company		Consolidated	
	2014	*2013*	**2014**	*2013*
	£000's	*£000's*	**£000's**	*£000's*
Non current:				
Bank and other borrowings	**-**	-	**24,981**	10,417
Bond	**14,695**	14,250	**14,695**	14,250
Total	**14,695**	14,250	**39,676**	24,667

The Group has undrawn bank overdraft facilities of £5,000,000 (2013 : £5,000,000) as at 31 December 2014 and undrawn revolving credit facilities of £6,500,000 (2013 : £6,500,000).

At 31 December 2014, £8,102,446 (2013: £8,537,720) 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 to fixed rate interest swap. They were entered into at the same time and in contemplation of one another, have the same counter-party, 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%.

Notes to the Financial Statements
For the year ended 31 December 2014

22. Borrowings and Other Financial Liabilities (continued)

On 17 December 2014 the outstanding balance of the loan of £10,600,000 (2013: £2,675,450) relating to the Company's subsidiary, Good Energy Hampole Wind farm Limited was paid down in full with all charges to that lender fully released. There was a one off exceptional charge of £880,565 incurred relating to the costs of closing out the loan and related derivative during its initial period.

At 31 December 2014, £18,799,264 inclusive of £49,264 of accrued interest (2013: nil) of the bank loans relate to the Company's subsidiary, Good Energy Generation Assets No. 1 Limited. The loan is secured by a mortgage debenture on that Company and its subsidiaries dated 17 December 2014 incorporating charges over the shares of that Company and those of its subsidiaries. The facility will be repaid from future cash flows arising from the subsidiaries of that Company with repayments of capital and interest scheduled quarterly over a period of 19 years commencing 17 December 2014. Interest is payable at 6.85% and the outstanding principal balance is partially exposed if annual RPI inflation exceeds 3%. Costs incurred in raising finance were £1,393,313 (2013: nil) and are being amortised over the life of the loan in accordance with IAS39. The total facility secured is £45,000,000 of which £26,250,000 was undrawn at 31 December 2014.

At 31 December 2014, £6,077,658 inclusive of £72,538 of accrued interest (2013:nil) of bank and other borrowings relate to the Company's subsidiary, Good Energy Carloggas Solar Park Limited. The lending constitutes short term construction finance, secured by a mortgage debenture on that Company dated 30 September 2014 incorporating a charge over the shares of that Company. The interest is payable at a rate of 15%. It is anticipated that the facility will be repaid in the month following commissioning of the site (expected March 2015).

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% or 7.50% for bondholders that are customers of the Group. Capital repayment of the bond is payable following notice being received from the bondholder 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 2014 the amortisation recognised in 'finance costs' totalled £76,424 (2013: £20,592).

Parent Company	Inter-company loan £000's	Bond £000's	Total £000's
31 December 2014			
Due less than 1 year	2,272	-	2,272
Due between 1 and 5 years	-	14,695	14,695
Due more than 5 years	-	-	-
Total	**2,272**	**14,695**	**16,967**

Parent Company	Inter-company 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**

Good Energy Group

Notes to the Financial Statements
For the year ended 31 December 2014

22. Borrowings and Other Financial Liabilities (continued)

Consolidated	Finance lease £000's	Bank and other borrowings £000's	Bond £000's	Total £000's
31 December 2014				
Due less than 1 year	-	6,608	-	6,608
Due between 1 and 5 years	-	8,287	14,695	22,982
Due more than 5 years	-	16,694	-	16,694
Total	-	31,589	14,695	46,284

Consolidated	Finance lease £000's	Bank and other borrowings £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*

The estimated fair value of Good Energy Delabole Wind farm Limited loan is £8,102,427 (2013: £8,538,333). The estimated fair value of the Good Energy Generation Assets No. 1 Limited loan is £18,783,848 (2013: nil). The estimated fair value of the corporate bond is £14,724,711 (2013: £15,134,990). The fair values have been calculated taking into account the interest rate risk inherent in the loans and bond.

The fair value of the Good Energy Carloggas Solar Park Limited loan is £6,077,658 (2013: nil) which is equal to the carrying amount as the impact of the discounts is not significant. The fair value is based on the cash flows discounted using a rate based on the borrowing rate.

Consolidated	2014 £000's	*2013 £000's*
Gross finance lease liabilities - minimum lease payments:		
Due less than 1 year	-	*125*
Due between 1 and 5 years	-	*-*
Due more than 5 years	-	*-*
Total	-	***125***
Future finance charges on finance lease liabilities	-	*(4)*
Present value of finance lease liabilities	-	**121**

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

Notes to the Financial Statements
For the year ended 31 December 2014

23. Trade and Other Payables

	Parent Company		Consolidated	
	2014	*2013*	**2014**	*2013*
	£000's	*£000's*	**£000's**	*£000's*
Trade payables	**34**	*747*	**4,669**	*2,240*
Accruals and deferred income	**60**	*610*	**8,302**	*9,006*
Social security and other taxes	**-**	*-*	**238**	*143*
Other payables	**-**	*-*	**1,867**	*1,486*
Total	**94**	*1,357*	**15,076**	*12,875*

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

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.

At 31 December 2014 the Group had closed out the fair value derivative financial instruments in place at 31 December 2013.

Group		**2014**		*2013*
	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 2014 were £nil (2013: £5,189,641). The swap was designated as a hedge against the Group's borrowings in Good Energy Hampole Wind farm Limited. The fair value of the borrowing at 31 December 2014 was £nil (2013: £2,555,434). The loss on the interest rate swap at the end of the reporting period is recognised in other comprehensive income.

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2014 were €nil (2013: €2,869,000).

Notes to the Financial Statements
For the year ended 31 December 2014

25. Dividends

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

Consolidated	2014 £000's	2013 £000's
Final dividend prior year of 2.30p per share (2013: 2.00p)	337	251
Interim dividend current year of 1.00p per share (2013: 1.00p)	147	146
Sub-total	484	397
Dividends waived	(12)	(20)
Total	472	377

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	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's
Profit before income tax	2,772	621	1,288	3,255
Adjustments for:				
Depreciation	-	-	1,347	634
Amortisation	4	3	567	533
Share based payments	-	-	30	-
Finance costs - net	(208)	(76)	2,503	603
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation)				
Inventories	-	-	(1,908)	(3,452)
Trade and other receivables	120	(99)	(2,329)	(4,139)
Trade and other payables	(1,264)	775	2,199	3,504
Cash generated from operations	1,424	1,224	3,697	938

Notes to the Financial Statements
For the year ended 31 December 2014

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 £30,040 (2013: £39,000) are recognised in the Consolidated Statement of Comprehensive Income. As at 31 December 2014, the following options had been issued:

	Number of options		Weighted average exercise price		Total exercise consideration	
	2014	*2013*	**2014**	*2013*		
	(Number)	*(Number)*	**(£)**	*(£)*	**£000's**	*£000's*
Outstanding at the beginning of the year	**2,048,514**	*1,659,346*	**1.03**	*0.87*	**2,110**	*1,445*
Granted	**25,000**	*910,000*	**1.25**	*1.25*	**31**	*1,137*
Exercised	**(179,135)**	*(390,832)*	**0.72**	*0.87*	**(130)**	*(340)*
Cancelled/surrendered	**(399,481)**	*(130,000)*	**1.19**	*1.00*	**(475)**	*(130)*
Outstanding at the end of year	**1,494,898**	*2,048,514*	**1.03**	*1.03*	**1,536**	*2,112*

In order to partially fulfil the options granted, 208,863 (2013: 387,998) shares representing approximately 18% (2013: 22%) 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 February 2015 and September 2027.

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) 2014	Share options (thousands) 2013
2002-2005	2015	0.50	-	118
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	114
2007-2010	2017	0.75	20	20
2012-2015	2022	0.50	189	189
2012-2015	2022	1.15	328	503
2013-2016	2026	1.25	554	840
2014-2017	2027	1.25	25	-
			1,495	**2,049**

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was £0.79 per option. The significant inputs into the model were weighted average share price of £2.21 at the grant date, exercise price shown above, volatility of 17%, 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
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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 £333,644 (2013: £256,643).

Contributions totalling £41,142 (2013: £35,707) were payable to the fund at the end of the financial 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

The future aggregate minimum lease payments are as follows:

Land and Buildings	2014 £000's	*2013 £000's*
Leases as lessee:		
Less than one year	391	*262*
Between one and five years	769	*547*
More than five years	4,050	*792*
Total	5,210	*1,601*

Other operating leases	2014 £000's	*2013 £000's*
Leases as lessee:		
Less than one year	6	*9*
Between one and five years	18	*24*
More than five years	-	*-*
Total	24	*33*

29.2 Capital Commitments

At 31 December 2014, the total capital commitments amount is £2,978,206 (2013: £15,195,822). Of this £2,978,206 (2013: £9,546,236) related to contracts agreed on solar generation projects and £nil (2013: £5,649,586) related to contracts agreed on the construction of Good Energy Hampole Wind farm Limited.

The figure for solar generation projects represents the maximum liability assuming all sites continue in development.

Notes to the Financial Statements
For the year ended 31 December 2014

30. Related Party Transactions

The Group maintains processes to identify related party transactions which include ensuring that all meetings of the Board of Directors begin with a declaration of interest in the matters arising. When related party transactions are identified, steps are taken to ensure they are transparent and contracted on an arm's length basis. Dependent on the perceived risk and materiality of the transaction, these steps may include forming an independent sub-committee of the board to consider the transaction and requesting that the Group's Nominated Advisor reviews the contractual terms.

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 inter-company balances with its subsidiaries. Interest is charged on these balances at either 2.5% above the Bank of England base rate or at 8.85%. The higher rate is charged on inter-company loans drawing on the GCP loan which carries an external rate of interest of 6.85%. Details of the amounts outstanding and received during the year on inter-company loans 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 £82,729 (2013: £80,568). No amounts were outstanding at the end of the financial year (2013: £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 £70,268 (2013: £81,782). Of these figures no amounts were outstanding at the end of the financial period (2013: £nil).

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.

In the year ended 31 December 2014 Shire Oak Energy Limited was entitled to receive £1,806,211 (2013: £945,000) of which £1,015,200 (2013: £945,000) remains outstanding. The agreement was terminated with effect from 10 October 2014 and the agreement contains post termination provisions which reduce the maximum commission payable on some development sites.

No estimate has been prepared of the remaining amounts payable 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.

In April 2014, Good Energy Tidal Lagoon Limited, a subsidiary of the Group, made a £500,000 investment into Tidal Lagoon (Swansea Bay) plc. Mark Shorrock (the husband of Juliet Davenport) is employed as its Chief Executive.

The investment is structured with an option to purchase up to 10% of the power output from the Tidal Lagoon project at market rates once completed. The project is seeking planning permission in 2015.

Notes to the Financial Statements
For the year ended 31 December 2014

31. Subsequent Events

None.

32. Subsidiary Undertakings Exempt From Audit

The Group has provided the necessary parental guarantees under section 479A of the Companies Act 2006, to enable the following companies exemption from audit:

Good Energy Development (No. 1) Limited

Good Energy Development (No. 2) Limited

Good Energy Development (No. 3) Limited

Good Energy Development (No. 6) Limited

Good Energy Development (No. 7) Limited

Good Energy Development (No. 8) Limited

Good Energy Development (No. 10) Limited

Good Energy Development (No. 12) Limited

Good Energy Development (No. 14) Limited

Good Energy Development (No. 15) Limited

Good Energy Development (No. 16) Limited

Good Energy Development (No. 17) Limited

Good Energy Development (No. 18) Limited

Good Energy Development (No. 19) Limited

Good Energy Development (No. 20) Limited

Good Energy Development (No. 21) Limited

Good Energy Development (No. 22) Limited

Good Energy Development (No. 24) Limited

Good Energy Wigsley Airfield Solar Park (063) Limited

Directors and Corporate Resources

Directors	John Maltby (Non-Executive Chairman) Juliet Davenport (Chief Executive) Denise Cockrem (Chief Financial Officer - 1st May 2014) Garry Peagam (Group Finance Director - resigned 30th April 2014) Richard Squires (Non-Executive Director) Martin Edwards (Non-Executive Director) Francesca Ecsery (Non-Executive Director)
Company Secretary and Registered Office	Stephen Rosser Monkton Reach Monkton Hill, Chippenham Wiltshire SN15 1EE
Company Number	04000623
Principal place of business	Monkton Reach Monkton Hill, Chippenham Wiltshire SN15 1EE
Independent Auditors	PricewaterhouseCoopers LLP 31 Great George Street Bristol BS1 5QD
Financial Advisors	Arden Partners plc 125 Old Broad Street London, EC2N 1AR
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
Legal Advisors	Norton Rose LLP 3 More London, Riverside London, SE1 2AQ
Registrars	Computershare Investor Services PLC The Pavilions, Bridgwater Road Bristol BS99 6ZY

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Good Energy Group PLC
Monkton Reach
Monkton Hill
Chippenham
SN15 1EE

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