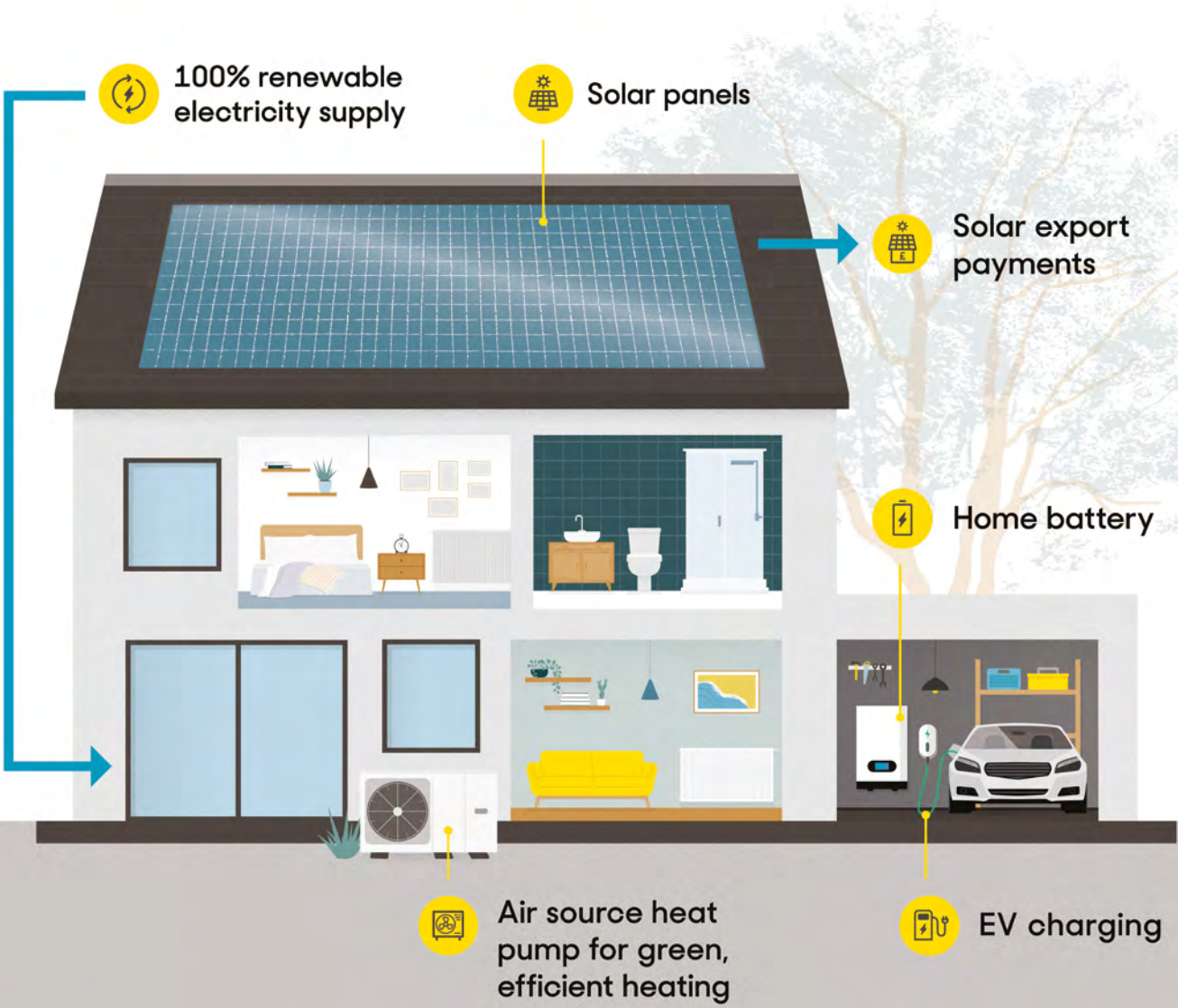




Annual Report & Accounts

2023





Annual Report & Accounts 2023

Contents

Strategic Report

Good Energy at a glance	2
Chair's review.....	4
Chief Executive's review.....	6
Our business model.....	8
Strategic review.....	10
Sustainable development goals.....	13
Task Force on Climate-Related Financial Disclosures.....	14
2023 Emissions report	22
Engaging with our stakeholders (s172 statement).....	24
Principal risks and uncertainties.....	30
KPIs.....	32
Operating review.....	33
Chief Financial Officer's review.....	34

Governance Report	37
--------------------------------	-----------

Financial Statements	80
-----------------------------------	-----------

Acronyms and definitions.....	151
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Good Energy at a glance

Why: To power a cleaner, greener future.

How: By making it simple to generate, use and share clean energy.

A transformation from renewable supply to renewable energy services



Acquisitions have enabled Good Energy Group to provide renewable heat, solar, battery and EV charging installation services



We are an established microgeneration specialist – from Feed-in Tariff services and export payments to solar installations



Flexibility, import and export tariffs underpin our technology offering to deliver carbon and cost savings for the customer



Continued investment in market-leading app for EV drivers.



The investment case



- **Ideally positioned** to benefit from UK policy drivers
- Diverse business with multiple revenue streams
- Exposure to **high growth markets**
- Ongoing digitalisation will drive cross sell opportunities.
- See our business model for more details on **pages 8-9**.

Financial performance

- Gross margin increase reflects **recovery of margins** as tariffs caught up with wholesale cost rises in 2022.

Gross margin %



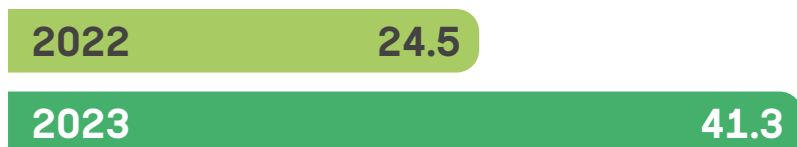
- Profit before tax reflects **recovery of margins** in 2023 following 2022 wholesale price spikes¹.

Profit before tax £m



- Cash and cash equivalents reflects strong **profitable performance** and a temporary increase in customer credit balances.²

Cash & cash equivalents £m



Non-financial highlights

- We now have over **1 million customer relationships**, exceeding our 2025 ambition
- In 2023 we launched an industry-first **hourly renewable matching service**
- Innovative export product rollout transitioning **+60,000 Feed-in Tariff customers** to smart export
- In 2023 we were ranked the **17th best large employer** in the UK
- Renewable electricity generated in 2023 **saved 120k tonnes in carbon emissions**, equivalent to planting a woodland the size of 150 football pitches
- We achieved a **Trustpilot rating of 5 stars** – our best ever rating by customers
- We **retained accreditations** for the sustainability of our energy services (see page 17).



¹Reported profit before tax of £5.7m compares with an underlying PBT of £1.4m in 2022. The reported PBT for 2022 was £9.2m and included a one off gain of £7.8m on loss of control of a subsidiary

²See page 35 for further details.

Chair's review



“ This year, Good Energy has advanced its mission with strategic acquisitions, strengthening our position as a leader in the UK's transition to net zero. ”

Overview

2023 was the year we set out to build on the progress made on our energy services strategy in 2022, and I'm pleased to say that this has been successful. We have launched new, innovative solutions, acquired further installation capability and delivered leading customer service levels. Against the backdrop of a stabilising energy market, we have delivered a year of strong financial performance.

Good Energy is dedicated to powering a cleaner, greener future. This year, the Company has advanced this mission with strategic acquisitions, strengthening our position as a leader in the UK's transition to net zero. Our efforts in solar services and installation across key regions underline our commitment to this vital shift, reflecting our role in driving forward the nation's decarbonisation agenda.

For our customers, they have access to a trusted partner which can now facilitate their ambition to install, consume and generate green power for their home or business, and which can also ensure they earn more from the power they generate. For our investors, they have exposure to a highly exciting growth market and are benefitting from the value creation achieved through our investment into Zapmap. This growth and expansion is underpinned by a stable energy supply business operating in a more steady UK energy environment, with forward looking power and gas prices returning to levels seen prior to Russia's invasion of Ukraine.

Despite this environment, prices remain high in historic terms. The rising costs emphasised the need to shift away from fossil fuels and encouraged people to insulate themselves from the high prices by switching to solar power, with record numbers of rooftop installations taking place in 2023.

Also in the period, as part of Ofgem's compliance work Good Energy was ordered to pay £1.25m into the regulator's redress fund and an additional £368,404 in goodwill payments to customers. This followed the surfacing of an issue relating to payment method changes which originated from a process change made in 2019. The issue, which was self-reported as soon as it was apparent, has since been addressed with new automated processes, standards and governance which the Board is confident will prevent any similar mistake in future.

We exited the year in a strong position. We have a robust balance sheet, continue to invest in high growth markets and are helping more homes and businesses control energy costs and decarbonise.

Strategic developments

2023 was a transformational year for Good Energy. Last year, I talked about the strong platform we had built to deliver our energy services strategy, which included the acquisition of heat pump installation business, Igloo Works, in Q4 2022.

This year, we have accelerated progress in providing energy services through pursuing a strategy that has delivered two further acquisitions: solar installers Wessex ECOEnergy in 2023, and JPS Group (completed post year end).

These acquisitions have supported our ambition to help one million customers cut carbon by 2025, and have been completed while rolling-out innovative solar export solutions and maintaining a high level of customer service and operational efficiency.

As we head into 2024, Good Energy is positioned as one of the leading installers of clean energy technology in the South of the UK focused on a bespoke, high quality service offer.

Capital allocation

Our substantially debt free position and strong cash balance allows us to continue to invest for sustainable growth, which is reflected in our capital allocation policy. Post period end, in February 2024, we raised £2.1m through a vendor placing as part of the JPS Group acquisition, testament to investor support for our ongoing energy services strategy. We welcome our new, supportive institutional shareholders.

We recognise the importance of a dividend to many shareholders. Following a strong operational performance in 2023 and reflecting our confidence in the ongoing business, the Board recommend a final dividend for 2023 of 2.25p per ordinary share, taking our full year dividend to 3.25p (2022: 2.75p).

Board

On behalf of the Board, I am delighted to welcome Fran Woodward to her new role as a Director on the Good Energy Board. Fran joined the Board on 20 October 2023 and is, currently, Good Energy's Chief Operating Officer. Fran has been an integral part of Good Energy since 2014, steering vital functions such as Sales and Energy Origination, Marketing, Customer Operations, and the People and Culture departments. Her extensive leadership experience, gained from notable organisations such as Marks & Spencer, Coca-Cola, Dyson, and EDF, has been instrumental in ensuring that our customers remain central to our strategy, operations, and culture.

See pages 38–41 for full biographies of all Directors.

Looking ahead

The Board has confidence in Good Energy's strategic direction and future prospects. In the short term, trading has commenced in line with management's expectations. Further ahead, as a trusted brand with an array of high quality services under one roof, Good Energy is well positioned as a premium specialist in the rapidly growing microgeneration market. We have a proven track record of delivering on our strategy and we look forward to creating further value in 2024 and beyond.



Will Whitehorn

Chair
26 April 2024

Chief Executive's Review



“The energy market will be transformed in the next ten years. A mass transition towards small-scale, low carbon technologies is taking place.”

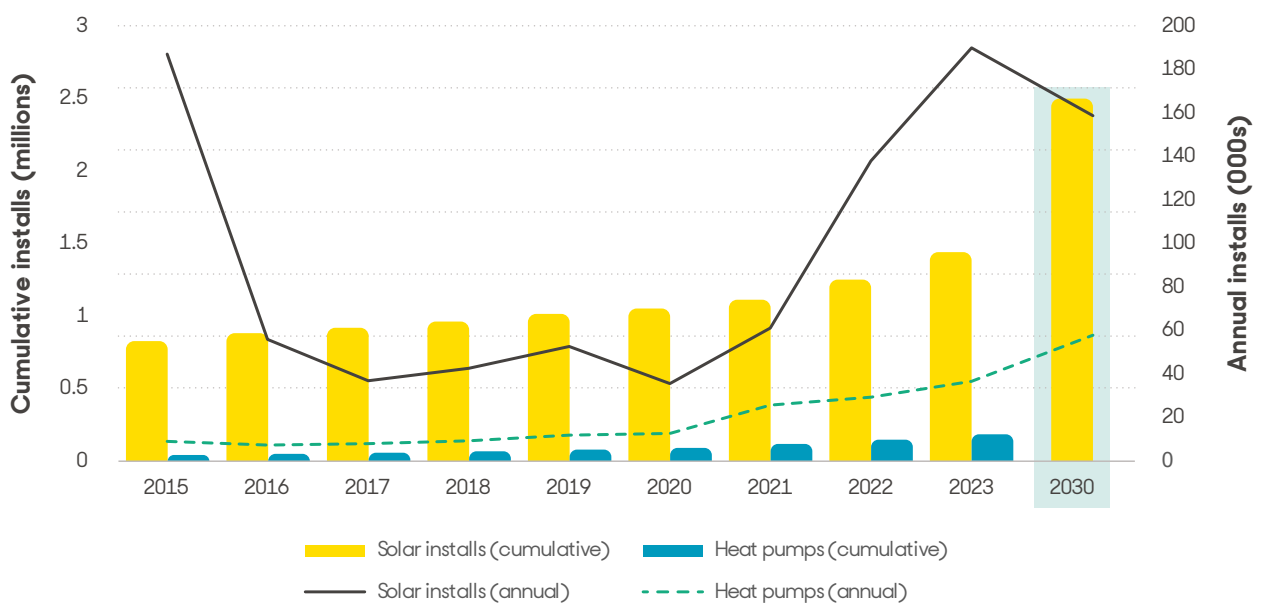
Overview

The energy market will be transformed in the next ten years. A mass transition towards small-scale, low carbon technologies is taking place. And Good Energy, with its purpose to create a cleaner, greener world, is ideally positioned to help drive this transition following a transformational year in 2023.

Small scale solar (below 50kW) installations increased 38% in 2023 (MCS), from an already significant doubling in the install rate in 2022 as households and businesses looked to insulate themselves from rising energy costs. The UK solar market, worth £1.9 billion today (MCS), is anticipated to more than double to £4.6 billion by 2030 (LCP Delta). With only 8% of solar-suitable homes currently equipped with panels, there's a vast potential for increase. The South of the UK is leading in market share and installation rates, demonstrating strong growth.

Similarly, air source heat pump installations increased by 20% last year to over 35,000, supported by government incentives. Whilst this market is more nascent than solar, the government remains committed to its target of hitting 600,000 installations per year with heat pumps being the primary method through which the UK will decarbonise its heating. This continuing commitment was signalled by the Boiler Upgrade Scheme grant being enhanced to £7,500.

UK Domestic Installations - Actual and forecast to 2030



Against this backdrop energy supply remains a challenging business. Margins, especially for domestic supply, have long been slim. High prices over the past two years have not changed this, and whilst they have climbed down from their peaks somewhat the market remains volatile comparative to before the energy crisis. In this period, we have delivered another strong financial performance in 2023, whilst activating our strategy through the roll out of new tariffs and services alongside investment in our installation footprint.

Delivering on our vision

Good Energy has long set out a vision for a decentralised, decarbonised energy system in which suppliers are no longer purchasing electricity and gas from a few large generators and supplying it to customers, into one where smart, clean technologies create a more participatory system. We are now seeing this vision realised with the flaws in a fossil fuel-based energy supply system more apparent than ever; installations of small scale, decentralised clean technology surging and smart meter adoption becoming predominant. And Good Energy is poised to play an important part.

Following three acquisitions in a little over 12 months, Good Energy now offers everything you need for a greener home or business. Renewable electricity supply, solar, storage and heat pump installation, EV charging and export tariffs. Plus we are now introducing flexibility services to make all of this technology work together for the customer.

What this creates is not only a business that remains committed to its purpose of creating a cleaner, greener future, but one that can provide more value to customers and greater returns. Installation services are significantly higher margin than supply. One-off installations also pave the way for recurring revenues through other services including smart export, supply, flexibility and maintenance.

The Good Energy brand, with our 25-year history as a renewable innovator, positions us ideally as a trusted partner for customers looking to go green.

Everything for a greener home or business

Throughout the company's history, Good Energy has led the way in supporting microgenerators, with the goal of making it simpler for customers to generate and use renewable power. In 2022 we announced an ambition to help one million homes and businesses cut their carbon by 2025. Following a productive year investing in new tariffs, acquisitions to offer installation services, offering market leading customer service and paving the way for a smarter, digitised customer experience, along with continued growth from Zapmap, Good Energy has achieved that target – a year ahead of time.

Our goal now is to go further in simplifying our offer and make it easier than ever to come to Good Energy for everything you need for a greener home or business. We will look to bring all of our services under the Good Energy brand, so that it becomes a trusted hallmark for good, genuinely green energy services. With the work we have done in 2023 we are now well on the way.



Nigel Pocklington

Chief Executive Officer
26 April 2024

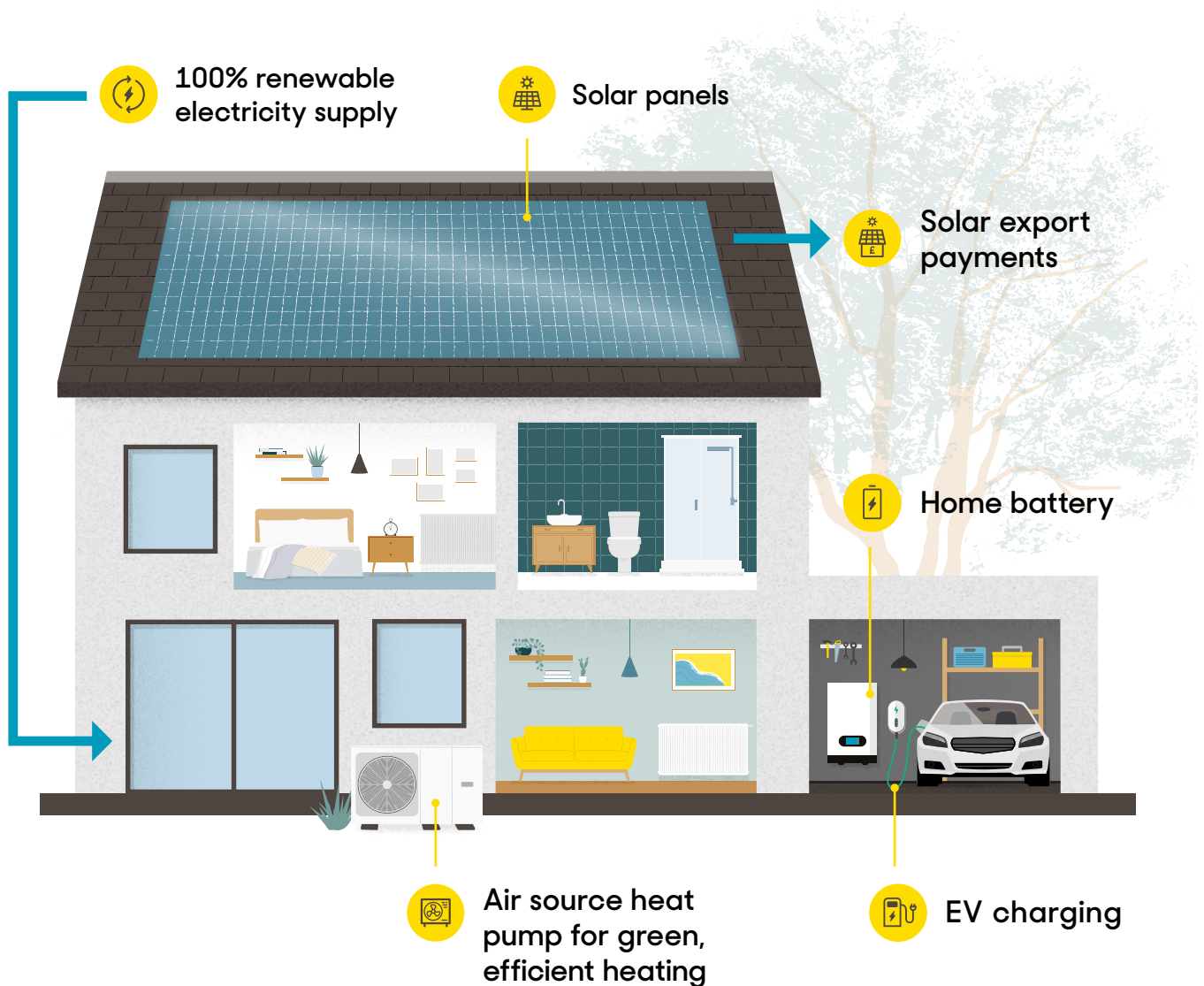
Our business model

Everything you need for a greener home or business

Why: To power a cleaner, greener future.

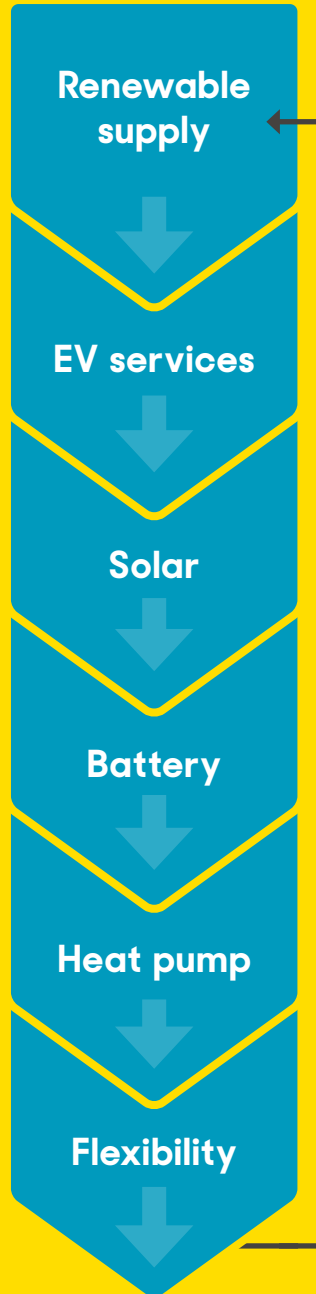
How: By making it simple to generate, use and share clean energy.

Good Energy provides the technology to support customers to reduce their costs and carbon footprint – along with the flexibility, import and export tariffs that enable them to benefit from having closer control over their energy usage.



The greener home and business value chain

Customer
<ul style="list-style-type: none"> • 100% renewable electricity • Five-star service
<ul style="list-style-type: none"> • Smart charging • Lower running costs
<ul style="list-style-type: none"> • Energy bill savings • Payments for export
<ul style="list-style-type: none"> • Extended savings from solar
<ul style="list-style-type: none"> • Lower running costs • Comfortable heating
<ul style="list-style-type: none"> • Lower import off peak • Higher export on peak



Good Energy	
Recurring	One off
✓	
✓	✓
✓	✓
✓	✓
✓	✓
✓	

Strategic review

Introduction

2023 was a transformational year for Good Energy in which we became not only a supply and Feed-in Tariff administration business but a fully-fledged energy services business. We innovated on our core products in supply and shifted into smart export, whilst investing in expanding our installation services.

Truly renewable supply

S Renewable supply is the foundation on which Good Energy's strategy is built. Itself a model in decentralisation, as we source the power we supply customers via agreements with over 2,000 independent renewable generators across the UK.

Good Energy's renewable electricity supply remains recognised as a greener product. In 2023 we retained our Which? Eco Provider accreditation, the only supplier to have scored top in all three years the consumer rights organisation has been ranking the environmental credentials of green suppliers. We continue to hold the Uswitch Green Tariff Gold Standard for all of our tariffs too, and are the only supplier with the Good Housekeeping Institute Getting Greener label for 100% renewable electricity. Our customers continued to provide positive feedback on our service too, pushing our rating on Trustpilot to five stars – one of only two UK energy suppliers which are rated so highly. See page 17 for more on our green accreditations.

S We made a significant step in differentiating our supply product for business customers too. As part of our criticisms of the current unit based certification system for renewable electricity Good Energy has supported a shift towards time-based matching. Now there is more widespread acceptance of the problems with unit-based certification – Renewable Energy Guarantees of Origin or REGOs in the UK – there is also a growing movement towards time-based matching. Pioneered by tech giants like Google, which has set a 2030 goal to be powered by '24/7 carbon free energy', there is now a UN compact for the system, which the US government joined during COP28.

S Good Energy already traded power with the aim of matching customer demand to the output from our renewable generators as closely as possible, achieving around 90% matching in half-hour intervals on an annual basis for the past five years – a very high level enabled by our decentralised, distributed generation portfolio. In 2023 we partnered with technology platform Granular Energy to provide our half-hourly business customers with the insight on how their energy use is being matched, creating a new level of transparency and paving the way for flexibility and incentivising new technologies such

as storage. See page 16 for more on our new hourly energy matching.

As electricity supply in the UK moves towards market wide half-hourly settlement and the location based pricing model proposed in the Government's second consultation on Review of Electricity Market Arrangements, Good Energy is ideally positioned.

This is a new frontier for renewable supply and Good Energy is leading the charge.

Solar and smart export

Good Energy is the UK's second largest solar power payments company. As the progenitor and largest voluntary administrator of the Feed-in Tariff, we have long been a significant participant in the small-scale solar market.

2023 was the year we became an installer, closing the loop to become an all-in-one solar services provider.

In June, we acquired Wessex ECOEnergy, a registered MCS, RECC and Tesla Energy Certified solar installer and service provider based in Dorchester. Wessex completes domestic and commercial installs, with an established team of engineers, technicians, and operations specialists. It has a strong brand predominantly covering the South West of England and a proven track record of high-quality installs with a 5* Google review rating.

In February 2024, we completed our largest acquisition to date of JPS Renewable Energy Limited, a specialist solar and storage installation and distribution business, and its wholly owned subsidiary, Trust Solar Wholesale Limited, a standalone distribution and procurement business based in Maidstone, Kent. The acquisition was partially funded through a £2.1m vendor placing. We would like to thank new and existing shareholders for their support.

The acquisition of JPS Group marks a pivotal moment in Good Energy's strategy, reinforcing our role as the UK's leading solar specialist. The solar sector is booming, reflecting its critical role in our energy

transition. Good Energy, a key player since the Feed-in Tariff era, now serves over 180,000 solar customers, illustrating our significant influence in this space. In 2023, the solar market reached £1.9 billion, with a 38% increase in installations, particularly in the South East, the fastest-growing region. JPS Group, known for its expertise in complex solar solutions for larger properties, complements our mission to supply high-quality, sustainable energy solutions.

S By integrating JPS Group with our existing offerings, including solar, storage, and heat pumps, we're not only expanding our market presence but also introducing our comprehensive energy solutions to more customers. This strategic move consolidates our position as industry leaders and enhances our ability to meet the increasing demand for clean energy.

In tandem, we continued to innovate in the export tariff market. We converted over 60,000 Feed-in Tariff customers to smart export and launched our market leading Solar Savings export tariff – open to FIT and non-FIT generator customers alike. We also introduced an enhanced Solar Savings rate for customers who install solar and battery storage with us, providing an end-to-end customer benefit for choosing Good Energy. See page 18 for more information about our solar services.

Heat

Following the acquisition of Igloo Works in December 2022 we successfully integrated this heat pump installation business into Good Energy, rebranding and merging shared functions including marketing, sales, HR, finance and legal.

As with solar, Good Energy's positioning is at the premium end of the market. We offer customers bespoke design and end-to-end installations suiting more complex properties. In addition Good Energy heat pumps come with a 10 year warranty and a remote performance monitoring service that ensures the installed heating system is running efficiently, providing reassurance to customers.

Our average installation is 7.5% larger than the average system size compared to the top 200 UK installers.

See page 17 for more information about our green heating, including heat pump installations.

Product pipeline

In addition to the rollout of new tariffs, shift to smart export and increase in smart meters to over 46,000, Good Energy further innovated in 2023. We trialled flexibility through 'Power Pause', our implementation of National Grid's Demand Flexibility Service, paying customers to shift their energy usage away from peak times – a successful pilot we intend to build on in 2024. We implemented efficiencies in our digital services by refreshing our customer app and portal.

Looking ahead, we plan to utilise digital to further drive efficiency whilst improving the customer experience, introducing new features like Apple and Google pay in our app.

We have new partnerships and tariffs planned including a tie in with Zapmap, offering Good Energy EV tariff customers free premium subscription to the app. We will also be introducing new recurring revenue streams through maintenance and servicing for our installation customers.

We know that flexibility is the key that unlocks much of the value of having a greener home or business.

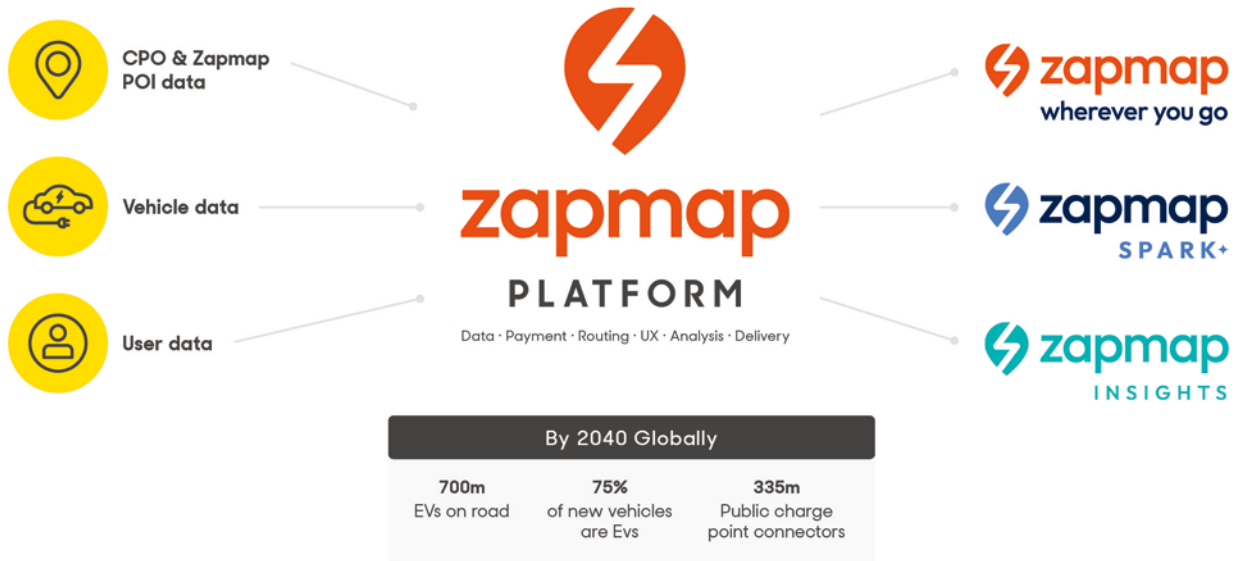
Shifting when and what you import, export, store or share to the benefit of the customer, grid, and Good Energy.

Having trialled demand flexibility in 2023 we are looking to expand this into 2024.

Zapmap

As the adoption of electric vehicles continues to grow, now hitting over a million battery electric vehicles on UK roads, Zapmap has maintained its leading position. The business underwent a refreshed brand and strategy in 2023, now operating on three fronts.

Aggregate, standardise + enrich charging data which powers EV driver app and B2B services



The first being the consumer app and web interface. With 1.4m downloads and 780k registered users, Zapmap serves 330k active users per month looking to search, plan and pay for EV charging. Launched in 2023 came Zapmap Spark, an API product which enables partners to seamlessly integrate Zapmap's market leading services and data into their products. Lastly Zapmap Insights provides another market leading service to other businesses and partners, providing Zapmap's unique data – from charge point operators and EV drivers – as a service. Zapmap provides data on 95% of public charging points in the UK, with 75% showing live data and 25% coverage for payments through the app too.

Sustainable Development Goals



Sustainability is why we're in business

The UN's Sustainable Development Goals (SDGs) provide a framework that businesses can use to help make sure they operate in a way that doesn't harm people or the planet. Good Energy is a member of the UN Global Compact, the world's largest corporate sustainability initiative.

Our business has two of the 17 SDGs at its heart:



Affordable & clean energy (Goal 7)

Good Energy has supported the growth of independent renewable generation in the UK for 25 years. With the support of our customers, employees and investors, we provide a route to market for small energy projects by paying independent generators a fair price for their energy. We also support nearly 200,000 people to generate clean energy for themselves.



Climate action (Goal 13)

The urgent need to reduce carbon emissions and limit global heating continues to inform how Good Energy operates. Our financial decisions, new customer propositions and policy positions all come from this starting point.



Task Force on Climate-Related Financial Disclosures

Good Energy was set up to tackle climate change – and weather volatility directly affects our business of sourcing and supplying renewable electricity. The climate crisis has a significant impact on our operational and strategic direction and how we evolve our business model.

Statement of compliance – We are voluntarily reporting the recommendations laid out in the Task Force on Climate-Related Financial Disclosures (TCFD). We are a TCFD signatory, representing our commitment to taking action to build a more resilient financial system through climate-related disclosure.

We have specifically disclosed 10 of the 11 disclosures, all bar strategy a, as timescales cannot be accurately defined for climate change in the energy market. Good Energy’s purpose and ambition is to help the transition to a 2°C or lower scenario, with our strategy based around helping UK homes and businesses to play an active role in this transition. Due to the nature of Good Energy’s core business and strategy, we have incorporated how we have met the TCFD recommendations and our future focuses using these icons:



making clear which pillar the references relate to throughout this report. The table opposite shows where key points are located.



**Good Energy's
Sustainability Manager
Cherish Jackson**



TDFD pillar & recommended disclosures	Key reference points	Page number	
<p>Governance - the organisation's government around climate-related risks and opportunities</p> <p>a. Board oversight</p> <p>b. Management's role</p>	<ul style="list-style-type: none"> Audit & Risk report: climate-related risks Operations of the Board Our sustainability framework Focus for 2024 Principal risks 	<p>p.55</p> <p>p.51</p> <p>p.20</p> <p>p.20</p> <p>p.30</p>	G
<p>Strategy - the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material</p> <p>a. Over the short, medium and long-term</p> <p>b. Impact on businesses, strategy, and financial planning</p> <p>c. Resilience of strategy</p>	<ul style="list-style-type: none"> Strategic review Measuring our impact Customer carbon savings Carbon emissions summary Focus for 2024 Principal risks 	<p>p.10</p> <p>p.19</p> <p>p.19</p> <p>p.22</p> <p>p.20</p> <p>p.30</p>	S
<p>Risk management - how the organisation identifies, assesses, and manages climate-related risks</p> <p>a. Identifying and assessing</p> <p>b. Managing</p> <p>c. Identifying, assessing, and managing are integrated into overall risks management</p>	<ul style="list-style-type: none"> Strategic review Measuring our impact Principal risks Directors' report: Principle 4 The Board's committees Audit & Risk report climate-related risks 	<p>p.10</p> <p>p.19</p> <p>p.30</p> <p>p.43</p> <p>p.48</p> <p>p.55</p>	R
<p>Metrics and targets - the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p> <p>a. Metrics used in line with strategy and risk management process</p> <p>b. Scope 1, 2 and 3 emissions and related risks</p> <p>c. Targets to manage climate-related risks and opportunities and performance against targets</p>	<ul style="list-style-type: none"> Strategic review Measuring our impact Carbon avoided Our sustainability framework Focus for 2024 KPIs Which? Eco provider 	<p>p.10</p> <p>p.19</p> <p>p.16</p> <p>p.20</p> <p>p.20</p> <p>p.32</p>	M

Planet

Good Energy enables people to reduce their contribution to climate change by making it simple to generate, use and share clean energy.

As a purpose led company, our environmental impact has focused on the carbon emissions avoided by supplying homes and businesses with renewable electricity. This is still a vital and measurable part of our impact, which now extends into areas such as supporting more households to generate their own electricity and switch from gas or oil-based heating to electric heat pumps.

100% renewable electricity

M Carbon emissions avoided through supplying 100% renewable electricity



In 2023, we avoided **119,227 tonnes of carbon emissions** by supplying our customers **with 100% renewable electricity**. This is equivalent to planting a woodland the size of 150 football pitches.



Our renewable electricity is sourced from renewable generators in Britain, with **our generator community now numbering over 2,000**.



As a positive proof that the way we source energy leads to the growth of renewable sources, **58% of generators** that we bought from in 2022-2023 were connecting to the grid for the first time.



Cwm Cadian Hydro in Wales generates 300MWh of clean energy each year, enough to power over 100 UK homes.

“ I feel like Good Energy magnify our efforts to combat climate change. They are really trying to support small generators like us. ”

Nick Bard, Cwm Cadian Hydro

Hear more in our Meet the Generator series at goodenergy.co.uk/learn/generator-stories

S Breaking new ground with hourly energy matching

To increase the amount of clean energy on the grid, suppliers and customers must take an active role in using energy at times of high renewable generation.

Our team of forecasters and traders have become extremely effective at predicting how much power we will get from our generators and matching it against our customer demand. They do this for every half hour of every day and manage to match supply with demand in real time over 90% of the time.

In 2023, we became the first UK energy supplier to share this level of energy matching insight with our large business customers. In partnership with Granular Energy, we provide customers with detailed insights into how their energy usage is matched back to renewable generators – giving them the knowledge needed to make changes and become even more sustainable.

“ We’re always trying to connect people with the source of their food. In the same way, hourly matching helps us understand exactly where our energy is coming from. ”

Pete Williams, Soil Association

S

Our green energy accreditations

Our approach to sourcing renewable energy has been recognised for being genuinely green. As well as maintaining our Uswitch Green Tariff Gold Standard accreditation, we also continued to be among a small number of suppliers named a Which? Eco Provider for Energy, coming top for the 3rd year running.



Green heating

S

In order to meet the UK's net zero goals there must be a widespread transition away from using gas as a primary form of heating. In 2023 we began to take an active role in this movement by installing heat pumps, while ensuring that the way we supply gas to properties still connected to the gas grid is as low impact as possible.

Heat pump installation

As a heat pump installer, Good Energy specialises in working with customers with more complex properties that may not be served by other installers.

During 2023, we launched our Green Home Stories series, where we heard from customers about the difference getting a heat pump has made to their homes.

As part of our service, we also shared personalised heat pump performance reviews with customers, to help them understand how to make sure their heat pumps were working as efficiently as possible before the coldest months of the year.



“ Our air source heat pump makes our home permanently comfortable. We absolutely love returning to a lovely warm house – which is such a contrast to our days with an oil-powered boiler. ”

Paul, Good Energy customer

Read more at goodenergy.co.uk/learn/green-home-stories

Green gas: supporting Gold Standard offsetting projects

As long as gas is still a necessary part of the UK's energy mix, we aim to supply it in as sustainable a way as possible. As well as supplying 10% UK-generated biogas, we balance carbon emissions resulting from gas supply through buying credits in Gold Standard carbon offsetting projects. These include projects that enable rural communities in India and China to produce and use biogas, as well as a grid-scale biogas generation project in Turkey. Section 6 and 7 in our 2023 renewable energy report discusses our green gas promise. Find the report here goodenergy.co.uk/reports-and-policies.



Solar services

Good Energy pioneered support for small-scale generators before the launch of the government FIT scheme. We're providing new services for our 180,000+ FIT generators to make sure they're fairly paid for generating and sharing clean energy.

This includes smart FIT export payments, which enable them to get paid for all the electricity they export, rather than an estimate.

S Launching Solar Savings

In 2023, we also released a new export tariff that will continue to make installing solar panels more financially viable following the closure of the FIT scheme. With Solar Savings, a household with a typical 3.5kW solar array can get paid a rate for their export that is 2-3 times higher than the FIT export rate of 5-7p.

S Becoming a solar installer

Good Energy acquired Wessex ECOEnergy in 2023, an award-winning solar installer based in Dorset. The Good Energy Solar team are installing solar for homes and working with businesses that want to reduce their environmental impact by generating their own energy.



“ The Good Energy Solar installation was very good. Health & safety is very important to me and I could see the team working together safely [...]the finished product not only looks fantastic but also works exactly as designed.

Knowing we can be confident in our energy supply without damaging the environment is a very good feeling. ”

Steve Easter, Dorset

2023 carbon emissions summary

Emissions from the acquisition of a heat pump installation business were responsible for an increase in carbon emissions by 71% compared to 2022.

This increase drove a reframing of our ongoing sustainability strategy.

S Measuring our impact: our sustainability strategy in 2023

R
M In 2019 Good Energy committed to reducing its carbon footprint to 275 tons by 2030 at the latest (representing 50% of our emissions in 2018, our baseline year). Thanks primarily to a significant shift from office-based to home and hybrid working, this target was actually achieved by 2022. This left Good Energy's core operations with a low carbon footprint of 102.98 tonnes in 2022, which we offset by investing in the same carbon reduction projects we use to offset emissions from supplying gas (see page 17).

2023 has been a transformational year in which the company launched new services. But, by expanding our ability to support people to reduce their carbon emissions, we have in turn increased our own.

In 2023 Good Energy absorbed two new businesses into its operations: a heat pump installation business (formerly Igloo Works) and from July 2023, a solar installation business, Wessex ECOEnergy. We rapidly put carbon monitoring in place for the heat pump installation business and are now progressing the same for the solar business.

We include Scopes 1, 2 and 3 in our emissions target. Previously our scope 1 was decreasing as we shifted to remote and hybrid working. However now we operate installation businesses with van fleets. Our carbon footprint has significantly increased due to the amount of mileage they produce (see scope 1 of our 2023 inventory on page 23). We are now collecting robust mileage data and monitoring emissions, and reset our targets in Q1 of 2024 to allow ourselves to make meaningful inroads into reducing the emissions that now come from our fleet.

S Customer carbon savings

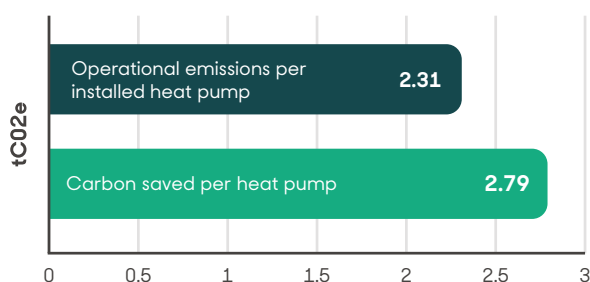
M Of course, this increased Good Energy carbon footprint is in service of a far bigger carbon reduction. We already track the carbon avoided by supplying customers with 100% renewable electricity, and have started to track the carbon avoided by replacing gas and oil boilers with air source heat pumps. Finally, as we became a solar installer half way through the year, we are investigating how to fully track carbon savings from our solar installations.

Customer carbon savings 2023

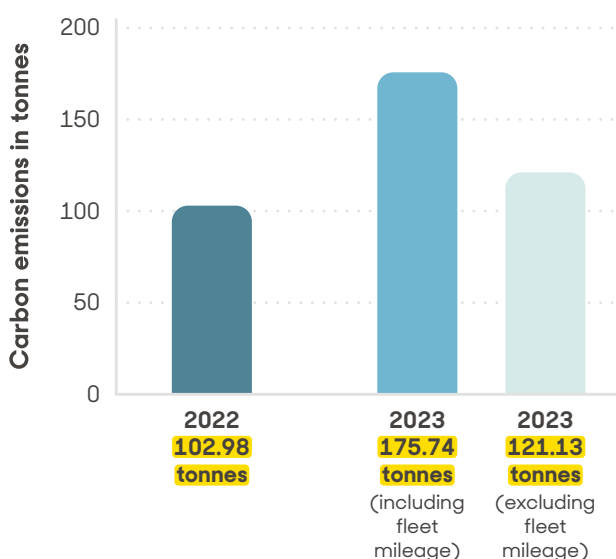
Carbon avoided through our energy supply operations **119,227 tonnes**

Carbon avoided through heat pump installations **211 tonnes**

Heat pump installations 2023



Overall change in emissions



G Our sustainability framework

M Our sustainability strategy is aligned with our organisation's purpose and business models and is the responsibility of our Sustainability Manager. We also have a framework of documents and voluntary certifications that support us to continue reducing our impacts to a neutral level where possible.

Process in Place	Purpose
ISO 14001: 2015 (Environmental management system)	Governing document framework
Carbon Emissions Inventory	Measures our impact
Carbon Emissions KPI	Monitors our impact
Science-Based Targets Initiative Commitment	Allows us to set evidence-based targets, measure and be transparent
Audit and Risk Committee, People and Operations Board	Where we embed sustainability in practices and decision-making
Culture Champions	Engage, collaborate and advocate change

2023 challenges, achievements and focus for 2024

Achievements

M In 2023, we continued to make our carbon reporting more comprehensive. When employees book a desk using our workplace management system, it automatically logs emissions from their commute. It also uses national averages to calculate home-based emissions from employees not in the office.

M We have also improved data collection from partners within our supply chain, with particular focus on emissions resulting from travelling to complete meter readings for customers. Although we cannot directly control these emissions, we share our approaches to carbon monitoring and reduction plans with our supply chain partners.

S During the year we also shared our experience in carbon reporting with businesses and organisations local to our office in Chippenham, supporting our community in how to track and reduce carbon emissions.

Challenges

M We continue to experience challenges in collecting data related to cloud-based computing services, which will remain a focus in 2024.

R With Good Energy becoming a heat pump and solar panel installer, our reporting must now take into account travel emissions from a small fleet of vans. In 2023 we started collecting the data needed to bring these emissions into the scope of our carbon inventory and include these emissions in our carbon reduction targets.

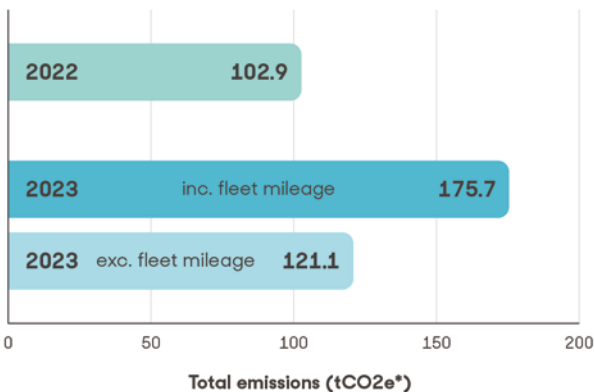
Focus for 2024

Our carbon reduction strategy for 2024 focuses on key areas, including:

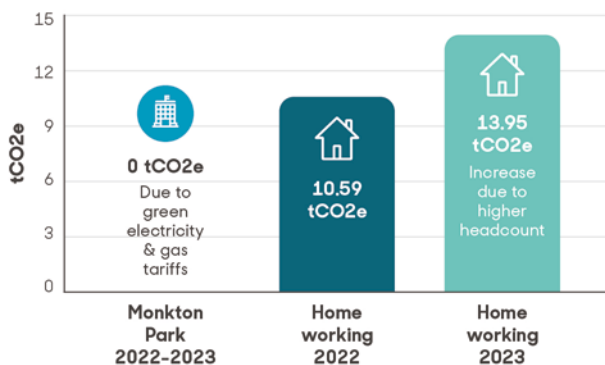
- S Developing a fleet strategy to reduce emissions from fuel consumption related to solar and heat pump installations, up until 2030
- M Putting in place robust monitoring and carbon reduction targets for our solar installation businesses
- M Introducing a new intensity metric to better measure our carbon emissions through a period of significant growth in our operations
- M Having taken on over 100 new employees, improving staff engagement with how we can continue to reduce our already small carbon footprint.



Carbon emissions



Office and home working emissions (electricity & gas)



2022



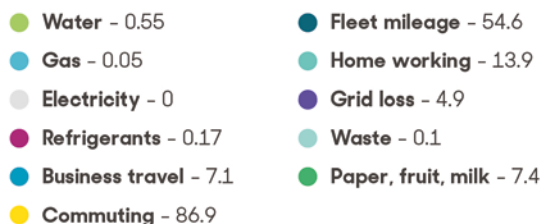
2023



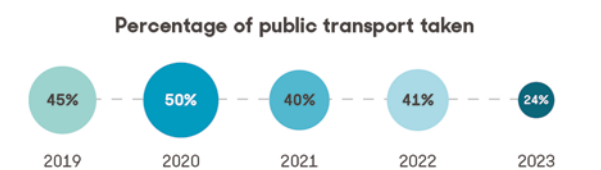
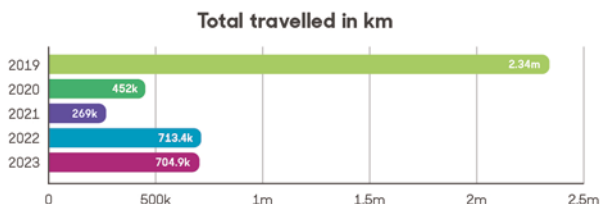
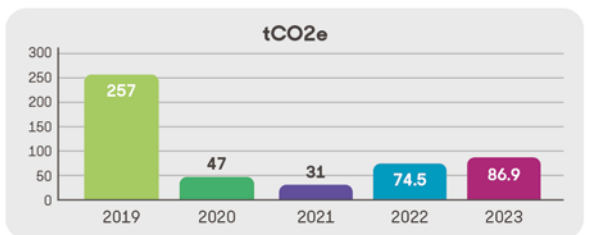
Carbon emissions breakdown: (tCO₂e)



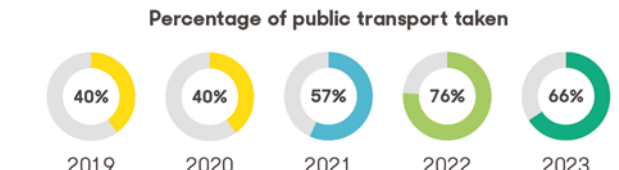
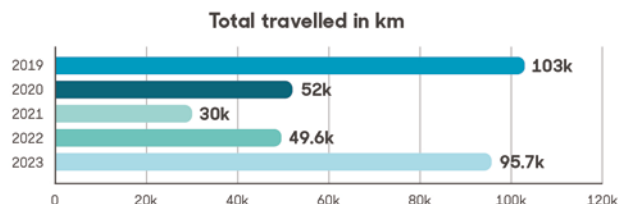
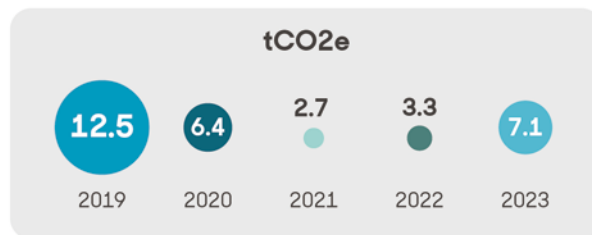
Carbon emissions breakdown: (tCO₂e)



Commuting



Business travel



*tCO₂e = Tonnes of carbon dioxide equivalent

2023 emissions report

Our greenhouse gas emissions for the full year of 2023 are presented in the table below.

- S** We calculate our emissions using the Greenhouse Gas Protocol Standard, separating them into Scope 1 (emissions from gas and refrigerants), Scope 2 (emissions from electricity consumption) and Scope 3 (emissions from indirect activities including travel and our supply chain).
- M**

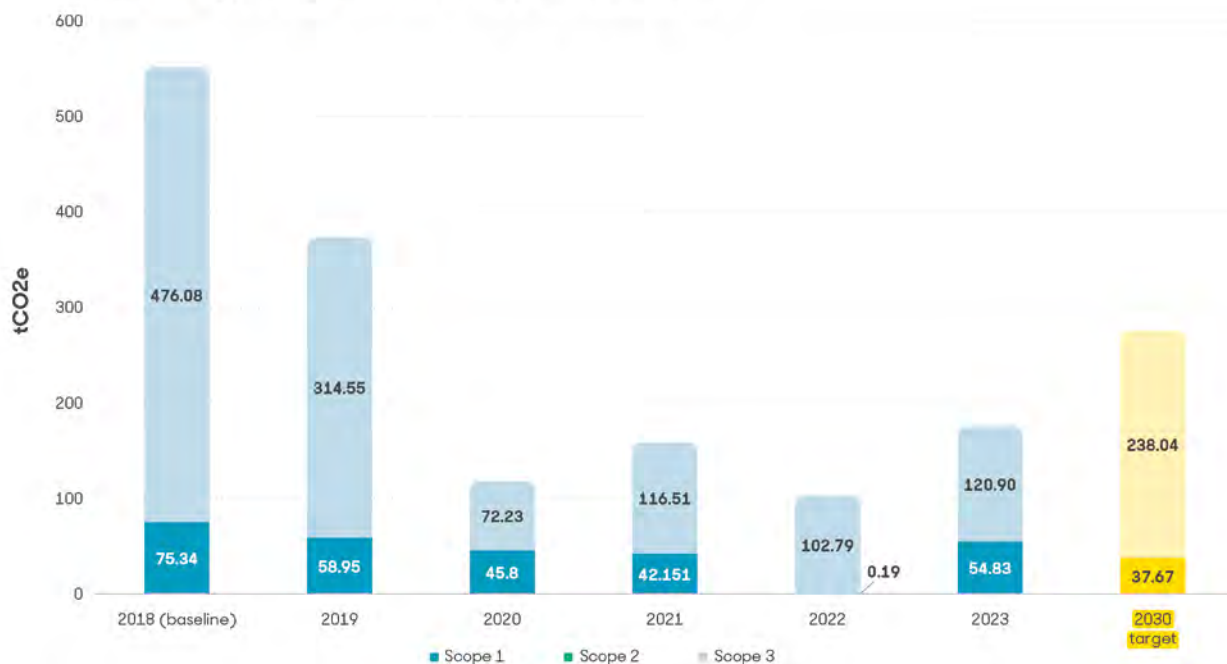
Our inventory is externally verified in accordance with the ISO 14064 standard, which is the international standard for carbon inventory verification.

The value of each emissions category is given in the 'value' column. The evidence is given in the 'source' column. We have used emission factors from DEFRA to transfer the values of emission sources to the same unit of tonnes of carbon dioxide emissions (tCO₂e).

Scope 1	Scope 2	Scope 3	Total emissions 2023
 <p>Scope 1 Emissions from gas and refrigerants</p>	 <p>Scope 2 Emissions from electricity consumption</p>	 <p>Scope 3 Emissions from indirect activities including travel and our supply chain</p>	 <p>Total emissions 2023</p>
54.835 tCO₂e	0.000 tCO₂e	120.902 tCO₂e	175.737 tCO₂e

This graph shows our annual carbon emissions (total tCO₂e) for each year since our baseline year of 2018, of which our science-based target was set against. Our science-based target is shown in the year 2030 at the end of the graph.

Good Energy target reduction performance



Carbon Emissions

	Category	Unit	Value	Source	tCO ₂ e	tCO ₂ e	
Scope 1	Stationary combustion				Location Based	Market based	
	Natural Gas (green)	kWh	231,352.33	Energy Manager Live	41.643	0.051	
	Refrigerants						
	R-410 A	kg	0.09	DEFRA guidance on FGAS		0.173	
	Fleet mileage (Good Energy Works)	miles	146,709.27	Fleet mileage reports		54.611	
	Scope 1 emissions	tCO₂e			41.643	54.835	
Scope 2	Electricity consumption				Location Based	Market based	
	Electricity UK (Green)	kWh	255,915.87	Energy Manager Live	52.994	0.000	
		Scope 2 emissions	tCO₂e		52.994	0.000	
Scope 3					Location Based	Market based	
	Business travel	miles/pkm	83,496.08	Expense/Pleo Reports		7.138	
	Commuting	miles/pkm	511,063.63	Employee survey	0.103	86.853	
	Home Work Heating	kWh	65,347.23	Employee survey		11.479	
	Home Work Electricity/ Equipment	kWh	19,620.44	Employee survey	1.595	2.468	
	Waste	tonne	5.99	Waste records		0.117	
	Paper including letters	tonne	4.93	Supplier paper reports		3.604	
	Office stock	kg	2,119.36	Invoices		3.755	
	Electricity losses	kWh	275,536.31	Employee survey/meter readings		4.936	
	Water (supply and treatment)	m3	2,926.67	Building Management System		0.553	
		Scope 3 emissions	tCO₂e			1.698	120.902
		Total emissions	tCO₂e			96.335	175.737

People

How we engage with our stakeholders, including our customers, employees and the wider energy industry.

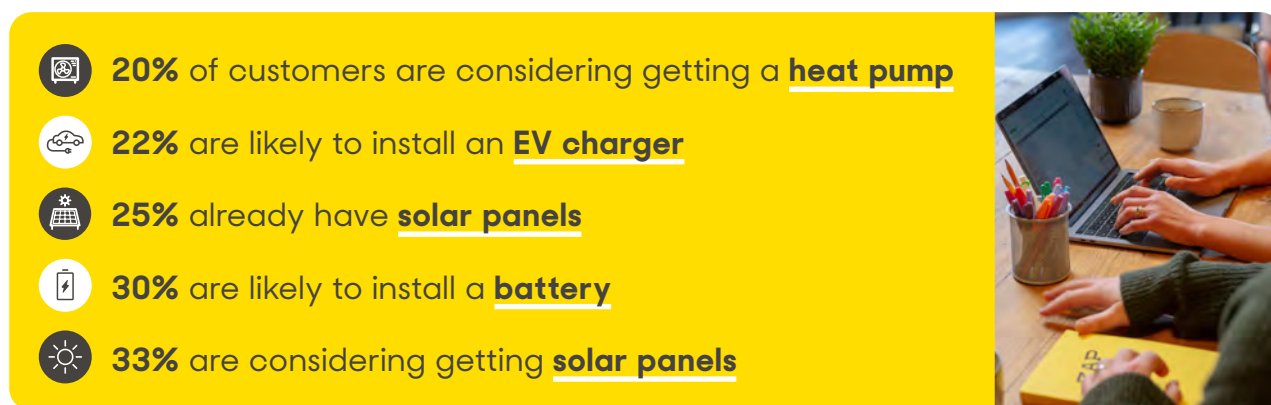
Our customers

We have long found that our customers are interested in hearing about new ways we can support them to have a positive environmental impact.

We keep our customers up to date with our activities and new services via regular communications. These include our monthly newsletter, Good Thinking, which goes out to over 55,000 home energy customers, and our business newsletter, which is sent to over 3,500 business customers and generators.

While preparing to launch new services such as installing heat pumps, we invited our customers to take a survey that would help us understand more about who they are and how we can best support them. Almost 50% of the 9,000 customers invited to take part did so, providing us with valuable insight into who makes up the Good Energy community.

The survey results allowed us to see that, by 2025:



Supporting vulnerable customers

Following Good Energy's support for the **Energy UK Vulnerability Commitment** in 2022, this year we continued to develop our services for vulnerable customers. This included setting up a dedicated team to serve pre-payment customers and developing a new system to provide live support to any pre-payment customers that disconnect.

We also worked hard to support customers in financial hardship, such as furthering our work to formally partner with debt charities to provide enhanced support to customers, and writing off significant amounts of debt for customers identified to be in particular hardship.

In their own words

In 2023, we were proud to reach a 5 star rating on Trustpilot, thanks to the hard work of Clean Energy Specialists who support customers to manage their accounts.



29 Nov 2023

We are committed to using green energy...

We are committed to using green energy and our 20 year experience with this company is good. Gifty helped me with a question recently and all went smoothly, quick response time and resolved issues with[in] a few day[s]. Thank you

Date of experience: 29 November 2023

As well as sharing feedback on our service, a number of heat pump and solar panel customers have been happy to take part in filmed interviews that help us show the benefits of installing clean technology at home.



“ My gas boiler was getting old and I wanted to replace it with a greener option, and this is what led me to choose an air source heat pump. It's sustainable and efficient, and I particularly like that when the sun is shining, it is powered by my solar panels too. ”

Di, Good Energy Customer

Installing commercial scale solar for bigHead

As well as supplying renewable electricity and managing Feed-in Tariff payments for thousands of businesses, in 2023 Good Energy began installing solar, including commercial scale solar for companies that want to be more energy independent.

One such project was installing a 130-panel array for bigHead, a manufacturer based in Dorset. Within 6 months, the solar panels had saved bigHead over £4,000 on their energy costs.

“ Installing solar is easy. It's good for business and it's good for the planet. I really can't think of a reason not to do it. ”

Matthew Stevens,
Managing Director of bigHead



Good Energy employees

In 2023, Good Energy was ranked as the 17th best large employer in the UK by Best Companies, who independently survey employees and benchmark scores against other participating employers. This is the 3rd year in a row we have received a positive score from Best Companies, reflecting our trust-based, inclusive culture and the significant resources dedicated to internal communications and engagement; transparent leadership and governance; and employee development, wellbeing and benefits.

Good Energy has an active, employee-driven diversity and inclusion strategy and has made significant progress in 2023. Notable successes include:



95% of employees disclose their personal diversity information, enabling us to monitor progress and better tailor our working practices and policies to staff needs. For example, we know 10% to be neurodiverse.



The Good Energy team has become **more ethnically diverse**, with the percentage of people of an ethnicity other than white **increasing from 10% to 15%** in 2023. This is enabled by offering a larger number of remote working roles, widening the locations from which employees can be hired.



We continue to **develop more women into management and senior leadership roles**, with 47% of manager and 37% of 'Head of Function' roles held by women (up from just 10% in 2022). This internal development has caused a **slight reduction in the gender pay gap** from 21.4% to 19.8%.

More details on our gender pay report can be found on our website at goodenergy.co.uk/reports-and-policies.

Awards

In 2023 Good Energy was shortlisted for the Business Leaders South West Awards for *Sustainable Business of the Year and Inclusion and Diversity*; the Circle 2 Success Regional Business Awards for *Culture and Diversity*; the Celebrating Neurodiversity Awards for *Inclusive Employer*; the Wiltshire Life Awards for *Apprentice of the Year and Green Business of the Year*; and won the South West Business Masters Award for *Sustainability*.



Our local community

Good Energy has been increasing its community engagement throughout 2023.

Volunteering: colleagues have taken part in corporate volunteering activities, including tree-planting and protecting hedgerows for new wildlife corridors. We also spoke at a number of local events promoting sustainable living and business practices.

Sponsorship: the company sponsored and provided PR support for Chippenham Half Marathon, which raises thousands for local charities and is recognised for its green policies. Good Energy also sponsored Blue Earth Summit in Bristol, an event bringing together influential voices in business, sustainability and conservation. Looking ahead, we are a headline sponsor of Chippenham Pride 2024, demonstrating our commitment to inclusion.

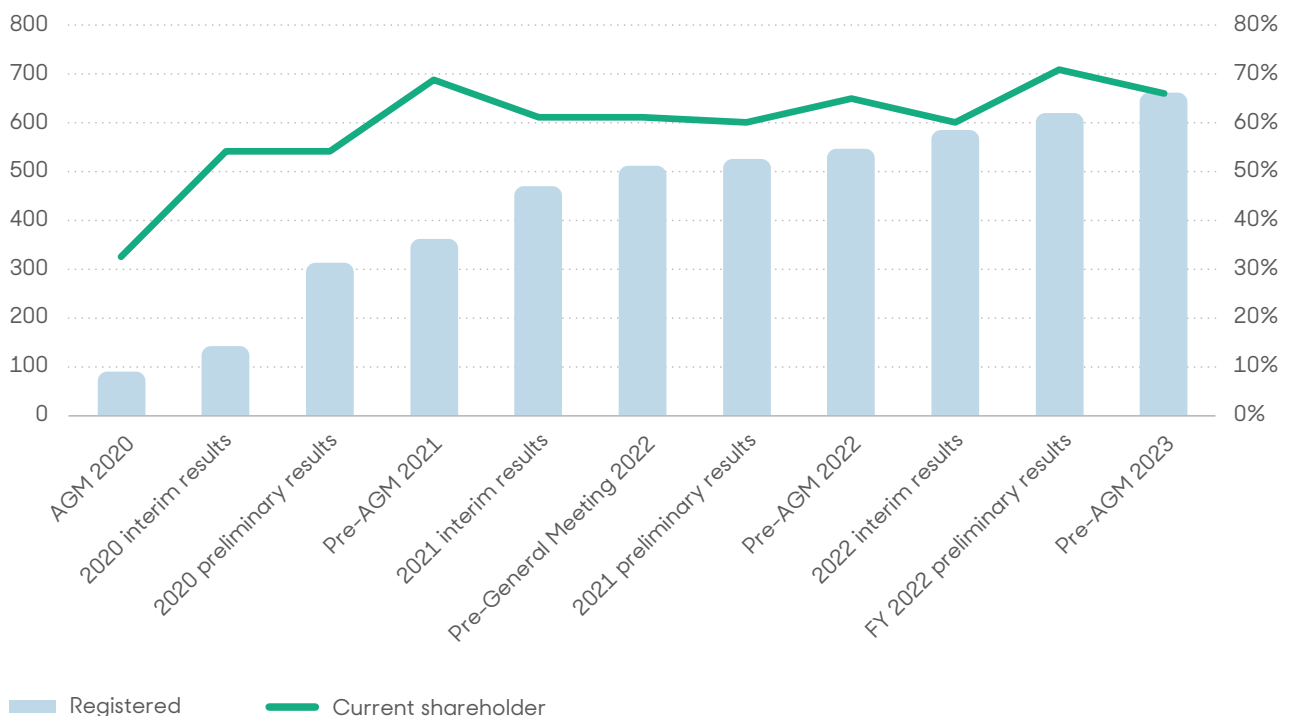


Shareholders

The Board actively engages with the Company's shareholder base, from its individual customer shareholders right up to institutional investors. As well as market announcements on key business developments, we send an investor newsletter covering recent activities around three times a year. We run online shareholder presentations through Investor Meet Company, where all shareholders have the opportunity to watch presentations live and submit questions to the Board. These are recorded so shareholders can also watch on demand.



Presentation and Q&A – Shareholder Engagement Progress



This graph illustrates increased registered attendee levels for online investor presentations since their implementation in 2020.

The effectiveness of our engagement is demonstrated by consistent levels of attendance at our online presentation and Q&As. Attendance has been steadily increasing since the implementation of online presentations in 2020, with registered attendees rising from 50 at our first event to 671 at the most recent event. There is an average of 18 questions asked and answered per meeting and feedback is captured after each event to enable future improvements to how the event is run.

Bondholders

The Board actively engages with the Company's bondholders via its bi-annual interest letters and the Group website's FAQ and dedicated Good Energy Bonds webpage goodenergy.co.uk/investors/good-energy-bonds. All Bondholder queries are managed promptly and decreased in 2023 due to previous clear communications and no out of process activities.

Policy makers and regulators

- S** The Company maintains a constructive dialogue with policymakers on matters relevant to its current operations, longer term strategy and purpose. In 2023 this included developing our ability to track and influence change across a wider range of energy policy to reflect our expansion into providing low carbon energy technologies.

Net zero mandate for Ofgem

We regularly engage with the energy regulator, Ofgem, and the Department for Energy Security and Net Zero, both directly and through public consultations and industry forums. Significant changes have been made to the energy retail market, and the Company has worked with Ofgem to design and implement policy changes which enhance consumer protections for both domestic and non-domestic customers. Good Energy has long advocated for Ofgem's mandate being altered, to allow them to play a stronger role in delivering a net zero energy system. We were pleased to see the Government implement this change in 2023.



Bill support and retail reform

As energy prices have remained high, we continued our work with government to implement bill support schemes, and the businesses expertise was used to help our customers understand the high cost of energy, why it is driven by fossil fuels, and the actions that need to be taken to make prices more sustainable long term.

Low carbon heat

We also work with thinktanks and consumer groups who hold positions of influence in the energy sector, targeting industry groups aligned to Good Energy's purpose, values and strategy. Focus areas in 2023 included working to reduce barriers for investing in low-carbon heating, and building relationships that will support the company to deliver against its strategic goals.



Transparency in renewable supply

Good Energy's partnership with Granular Energy enabled the company to launch its market-leading hourly matching service for business customers in Q4 2023. This was part of our longstanding work to encourage transparency in renewable supply, which continues as we demonstrate the benefits of a PPA based supply tariff, made available to customers via a derogation from the price cap.

This, along with facilitating future innovation in energy services and flexibility underpinned by heat pumps, solar PV and smart meters will continue to be priorities into 2024.

Delivery partners and suppliers

Our tailored approach to engaging with our suppliers means that leaders of different functions are responsible for the providers within their area of expertise. Our Procurement Policy and Good Procurement Guide set out principles to make sure the Company's money is spent wisely and ethically.

Our Procurement Function provides centralised support to make sure all our functional leaders have a consistent approach when dealing with providers. In 2023 focus has been heavily on the integration of our new Energy Services subsidiaries, especially Good Energy Works.

The move into this area means we are engaging with a fundamentally different supply chain with geographic coverage, delivery issues and risk profile. Supply chain due diligence is increasingly important and as we grow in scale the scope to leverage economies of scale with suppliers will increase.

Looking into 2024 the acquisition of JPS Group will place greater emphasis on the Solar PV supply chain and the need to deliver a more integrated group procurement approach.

Statement of our commitments under Section 172 of the Companies Act 2006

The preceding section has detailed how we engage with all our stakeholders. This is in accordance with our commitments under Section 172 of the Companies Act 2006, which requires Directors to act in good faith and in a way that is most likely to promote the success of the Company for the benefit of its shareholders. In doing so, Directors must have regard to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

Having regard to the matters set out in Section 172 (1) (a-f) of the Companies Act 2006, the Board considers, in good faith, that they have acted in a way that is most likely to promote the success of Good Energy Group PLC for the benefit of its members as a whole.

Our approach

The Board recognises its primary legal responsibility to promote the success of the Company for the benefit of its members, taking into account the interests of other stakeholders including customers, employees, partners, suppliers, regulators, the environment and the local communities in which Good Energy operates.

Outcome of commitments to act in consideration of Section 172

The following summarises some of the significant decisions made by the Board during the period which demonstrate the way in which the Directors have exercised their section 172 (1) duty and the stakeholder group(s) impacted by these decisions:

Customers and shareholders

In delivering upon the Company's long term strategy of investment into a range of energy services for domestic and business customers, the Board has overseen the acquisition of two solar installation companies. These investments will allow Good Energy to offer wide range of products and services to customers, positioning Good Energy as one of the leading installers in the South of the UK.

Customers

Aligned to the Company's commitment to provide high quality customer service, the Board supported the creation of a dedicated team to serve pre-payment customers together with investment in systems to support these potentially vulnerable individuals.

Employees

The Board has supported and encouraged the Company's active and employee driven diversity and inclusion strategy. This has included overseeing a substantial increase in the number of "Head of" roles held by women together with a full review of talent across the business.

Principal risks

Risk management approach:

- G** Good Energy understands the importance of a strong risk and assurance framework and as such has taken further steps this year to make improvements and widening the scope to include all entities within the Group.
- S** The expanded operating model has necessitated additional training and resourcing across the Information Governance, Risk and Compliance Team. Risks are monitored closely by the Audit & Risk Committee for their potential impact on the Group and are used to make informed decisions around the delivery and evolution of the Group's Strategy. Emerging risks are monitored by the Executive Team supported by the Senior Leadership Group, to enable risks to be prevented from materialising early in their potential growth.
- G** Good Energy's risk appetite is reviewed annually as part of our Risk and Assurance Policy and creates a balance of risk pragmatism to allow us to continue to grow through innovation whilst providing protection against the impact from risks in the following categories: Financial, Strategic, Business or Project Objectives, Stakeholder Trust, Regulatory requirements / Compliance and Environmental Health and Safety.
- R** Ongoing risk management continues to be critical for all energy companies as it helps us mitigate potential risks to the industry in the move to a predominantly renewables-based grid.

We are currently working through a plan to incorporate risk and assurance activities for Good Energy Works Limited into the Group Risk and Assurance framework. This is anticipated to be fully in place by the end of the 2024.

Principal risks and uncertainties

R Wholesale market and price volatility

Following the energy crisis we have continued to monitor wholesale market and price volatility, to ensure our position remains robust. Whilst wholesale market and price volatility will always be an area of close monitoring, this is not assessed as out of tolerance.

Financial risk management

Good Energy continues to see financial risks around wholesale trading costs, liquidity and credit as described in note 3 in the Notes to the Financial Statements.

R Regulatory and political risk

We continued to see significant change across the energy industry this year with the suspension of prepayment meter installations continuing throughout the year, alongside additional regulatory obligations on suppliers around customer service and management of customer vulnerabilities.

To manage this volume of change, the Company has established an Operational Change Management Group which is supported by subject matter experts and our Regulatory Compliance Officer to ensure that changes to regulatory obligations are implemented efficiently and effectively. Changes are brought to the group following horizon scanning and involvement in Ofgem or wider Government consultations, both of which support our understanding of changes and programmes of work to ensure we are not only meeting the minimum requirements, but we are able to fully realise the benefits of the change for our customers.

In 2023, Ofgem introduced an annual review process for suppliers who hold a derogation to the price cap, which will ensure suppliers, including Good Energy, remain compliant with the requirements from which the derogation was awarded. This new process reviews supplier compliance to the three outcomes on which derogations are awarded; 1) Customers have chosen the tariff 2) the tariff provides support to renewables and 3) the cost to Good Energy is greater due to the support offered to renewable generators. In September 2023, Ofgem extended Good Energy's SVT derogation to include a new EV variable tariff which allows customers to charge their EVs for less overnight.

S Purpose and brand

The Good Energy brand promises to match customer usage with 100% renewable electricity bought from generators. Due to the complexities of the energy market and our reliance on Power Purchase Agreements with generators, there is a risk that we could deviate from this brand promise and therefore our customers, shareholders and other stakeholders would lose trust in the product they are purchasing or investing in. To ensure we uphold our purpose, we put the Company through a comprehensive external Brand Promise audit each year to provide independent assurance that we are aligned to our environmental objectives. Our Renewable Energy Reports can be found on our website at goodenergy.co.uk/reports-and-policies.

G Environmental concerns

R Protecting the environment and supporting global efforts to reduce carbon emissions is a long-standing goal for Good Energy, which is why in 2017 the Company gained certification to the Environmental Management Standard ISO14001. As part of this certification Good Energy completes regular risk assessments and puts in place mitigations to environmental risks, which include; pollution to the local river from the water-side office, a fire causing emissions from the smoke and poor performance of renewable generators from changes in the weather.

Climate-related risks are identified, analysed and assessed by the Information Governance, Risk and Compliance teams in conjunction with the Sustainability and Facilities Manager and recorded on relevant risk registers, which cover current and emerging risks. These are assessed and managed by implementing necessary controls and setting clear objectives and presented to senior leaders annually. In future, we plan to embed an acceptable residual risk score and formal methodology for climate change risks specifically in our corporate risk register.

Cyber-security and data protection

Group growth and technological advances, including the introduction of artificial intelligence, mean increased exposure to malicious attacks to information and the IT estate. As with many businesses, a successful cyber-attack on Good Energy could result in the Company being unable to operate effectively to serve customers, incurring significant damage to our IT estate or the loss of critical business and customer data; all resulting in a reputational and financial impact.

To manage this, Good Energy continually assesses its security policies, standards and procedures, adjusting them so they are proportionate to the threat profile the Company faces. The Company trains all staff annually on cyber security and potential threats; as well as ensuring there are subject matter experts to actively monitor risks and technical vulnerabilities using a wide range of tools, including the National Cyber Security Centre, which provides weekly updates on the cyber threat landscape and security scanning software.

Good Energy promotes diligence when it comes to collecting and processing customers' personal information. All employees complete data protection and information governance training as part of their induction and ongoing employment to ensure a consistent approach to maintain a high level of personal information security. The Good Energy Data Protection Officer works collaboratively with all areas of the business to ensure customer data is not put at risk and that processes remain aligned to best practice in this area.

Health and Safety

Risks to the health and safety of Good Energy Group employees has changed due to the fact that we now install heat pumps and solar panels. Our Sustainability and Facilities Manager ensures that risk assessments are completed, controls are implemented and incidents are investigated and reported as appropriate. This robust approach means that while health and safety is an inherently high risk to Good Energy, the residual risk remains low.

Key performance indicators

Good Energy measures its progress against a number of key performance indicators (KPIs) that align with our business.

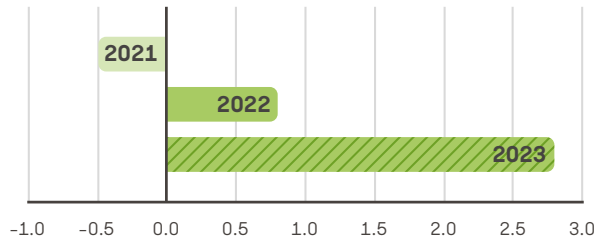
In future we aim to start tracking multiple products per customer to reflect the full suite of services we now offer. Further detail about the factors driving KPI performance is set out in the Chief Executive, Financial and Operating Reviews within this Strategic Report.

EBITDA and carbon avoided were measured as KPIs in 2022. Carbon avoided in the year is explained on page 16 and has been replaced as a KPI with Which? Eco provider and Employee Engagement to balance the financial and non-financial KPIs. EBITDA is considered a less relevant KPI following the sale of the Group's generation assets in 2022.

Operating margin (%)¹

2%

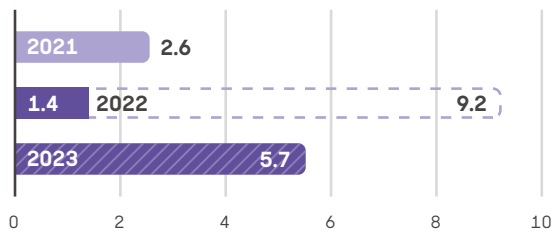
Measures profitability as a proportion of revenue after operating costs



Profit before tax (£m)²

307%

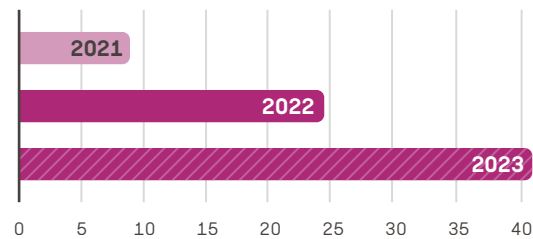
Measures profitability before payment of corporation tax



Cash & cash equivalents (£m)

69%

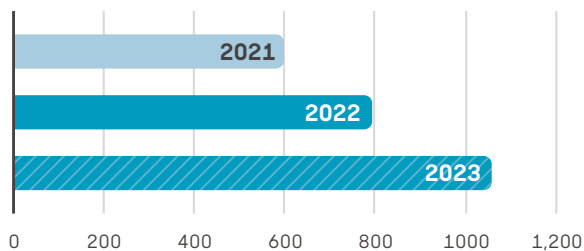
Measures the un-restricted cash and cash equivalents held by the business at a point in time



Total customer relationships (000's)

33%

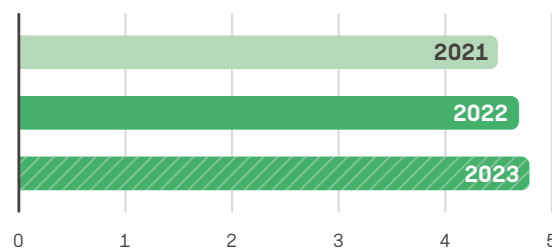
Measures domestic, business, FiT supply and Zapmap registered users



Trustpilot rating

2%

Measures customer satisfaction reviews Good Energy receives



Which? Eco provider status

100%

Retention of our Which? Eco Provider ranking



2021-2023



Employee Engagement³

100%

Measures employee engagement through Best Companies or equivalent accreditation.



2022

2023



¹ Reflects continuing underlying operations

² 2022 PBT was £9.2m but included a one-off revaluation benefit of £7.8m associated with Zapmap.

³ We started measuring employee engagement with Best Companies in 2022.

Operating review

Wholesale energy market conditions

Whilst the UK gas and power markets remained volatile in 2023, there was a strong bearish trend with day ahead gas and power contracts losing 48% and 59% respectively. Demand remained relatively subdued, as we witnessed a second consecutive mild winter, with 2023 being confirmed as the world's warmest year on record. LNG supply to Europe improved as the US LNG terminal Freeport returned to operations in March, after having been closed since June 2022 due to an explosion. Competition for LNG supply was also limited owing to lower demand in Asia due to the lack of extreme weather, and a slower than expected Chinese economic recovery following the end of Covid restrictions.

The UK power mix saw a shift in 2023, with wind generation increasing to supply 26% of the UK's power requirements, compared to 24% in 2022. There were also higher imports through the interconnectors, increasing from 6% to 14% of the UK power mix, aided by additional interconnector capacity along with a 24% increase in French nuclear output.

Overall, UK gas consumption was 12% lower, with the biggest reductions seen from industry, along with power generation due to the increase in renewables and imports. Reductions in UK electricity supply volumes were lower at 2%.

Renewable supply business.

Cash collections

Cash collections through 2023 remained strong, despite significant regulatory pressure around domestic collection, in addition to continued economic pressures around inflation and the cost-of-living crisis.

We continued to see rapid speed to cash from key accounts and larger business supplies, further demonstrating our ability to manage large and complex billing portfolios and broker relationships. We also saw significant reductions in SME debt, with aged debt reducing by 25% in the year.

Direct debit collections remained healthy through the year, with consistent payments made in line with consumption changes.

Business

Total business supply meters fell by 27% to 5,592. The decline is part of our ongoing right-sizing of our business portfolio to align with the energy services strategy. In the same period, business supply volumes only reduced by 15%, reflecting an increase to the average customer on supply from 59MWh (2022) to 67MWh (2023).

Domestic

We remain committed to ensuring that we offer a fair priced, transparent 100% renewable electricity proposition.

Services business

Feed in tariff (FiT)

FIT administration provides the foundation of our energy services model. Despite the FIT scheme closing to new entrants in March 2019, we continue to administer the scheme for domestic and business customers.

Customer numbers increased 1.5% to 182,982 (vs 180,300 in 2022).

Smart meters

58.4% of Good Energy domestic customer meters are now smart, amounting to 47,000 meter installations. We made strides in improving the health of our domestic smart meters, which is crucial for enabling our smart enabled tariffs like Solar Savings, Power Pause and our EV tariff, and the accurate communication of meter readings.

Solar installations

The Company acquired Wessex ECOEnergy in June 2023. Revenue from the business in 2023 was £2.1m.

Heat pump installations

Revenue from heat pump installations in 2023 was £0.96m, strengthening into the second half of the year as marketing spend increased and buoyed by the enhanced government Boiler Upgrade Scheme grant which was introduced in October.

Chief Financial Officer's review



“ The Group has delivered solid financial results for 2023 and holds a strong balance sheet to invest in the future of the business.”

A handwritten signature in black ink, appearing to read 'Rupert Sanderson', written in a cursive style.

Rupert Sanderson

Chief Financial Officer

26 April 2024

Overview

The Group has delivered solid financial results for 2023 and holds a strong balance sheet to invest in the future of the business. The performance in 2023 provides a good springboard to move into 2024 and beyond with a more diversified business encompassing both supply and increasing levels of service income.

Financial performance

Profit and loss

Revenue increased 2.4% in the period to £254.7m (2022: £248.7m) driven by increased tariffs reflecting the high commodity cost environment present at the start of 2023. Cost of sales decreased by 3.8% to £210.5m (2022: £218.8m) with commodity costs ending 2023 materially lower than when the year started. Both cost of sales and revenue are expected to be significantly lower in 2024 reflecting lower wholesale costs and associated tariffs in the supply segment of the business.

Reported gross profit increased 47.9% to £44.2m (2022: £29.9m). Gross margin increased to 17.4% (2022 12.0%). The increase reflects a strong H1 2023 when low margins seen in 2022 were recovered as tariffs caught up with the wholesale cost rises seen in 2022. 2024 is expected to see a return to more normalised supply segment margin levels.

Total administration costs increased 32.6% to £37.3m (2022: £28.1m). This increase relates to a £1.7m year-on-year growth in expected credit loss provisioning, alongside £4.2m investment supporting the expansion of the services business, this includes the operating cost of Good Energy Works for a full year, alongside 6 months of Wessex ECOEnergy. Other factors include a £1.25m contribution to Ofgem's voluntary redress fund and inflationary pressures experienced by all businesses during 2023.

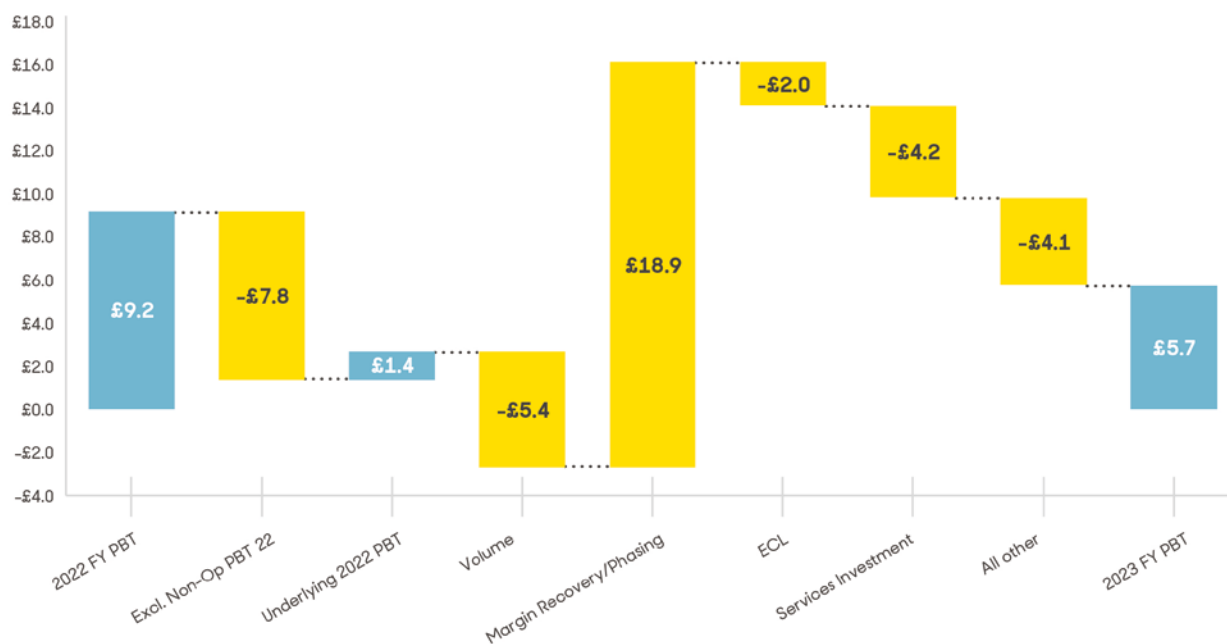
Net finance income grew from £0.3m to £0.6m reflecting higher interest rates on offer for cash available to be placed on deposit.

Reported profit before tax of £5.7m compares with an underlying PBT of £1.4m in 2022 reflecting recovery of margins in 2023. (2022 PBT was £9.2m but included a one-off revaluation benefit of £7.8m associated with the Zapmap business)

2023 tax charge is £2.8m versus 2022 which was a tax charge of £0.6m. 2022 included the impact from one-off benefits related to generation business sale.

The reported profit for the period was £2.9m (2022: £8.6m). Whilst underlying business is materially stronger in 2023, the non-repeat of the 2022 increase in value of the investment in Zapmap alongside a higher tax obligation in 2023 drive a lower profit after tax return.

Good Energy PBT Development FY23 vs FY22 £m



Financial bridge 2022 to 2023

Cash flow and cash generation

There was a net increase in cash of £16.9m, which includes the acquisition of Wessex ECOEnergy in June 2023.

Cash and cash equivalents at the end of December 2023 were £41.3m, with a further £5.9m held in security and restricted deposit accounts. Within the cash and cash equivalents balance are £13.9m of customer credit balances (2022: £4.9m). These balances have grown materially in 2023 as a result of rapid increases and then decreases in wholesale costs and associated tariffs. These credit balances are expected and planned to fall to a more normal level in 2024 and the company is taking proactive steps to reduce this credit position.

Funding and debt

Our business is debt free on a net basis.

The remaining Good Energy Bonds II amount outstanding including interest is £4.9m split £0.2m within short term liabilities and £4.7m within long term liabilities. This is due to an annual redemption request window for bondholders in December of each year.

The Group continues to maintain capital flexibility, balancing operating requirements, investments for growth and payment of dividends. Our business remains mindful of the need to capitalise on strategic business development and investment opportunities. Prudent balance sheet management remains a key priority.

Earnings

Reported basic earnings per share reduced to 17.1p (2022: 55.7p). Whilst underlying business is materially stronger in 2023, the non-repeat of the 2022 increase in value of the investment in Zapmap alongside a higher tax obligation in 2023 drive a lower profit after tax return.

Dividend

Following strong operational performance in 2023, and reflecting our confidence in the ongoing business, the Board recommend a final dividend for 2023 of 2.25p per ordinary share (2022 2.0p).

Good Energy continues to operate a scrip dividend scheme and the payment timetable of the final dividend will be announced in due course.

Expected Credit Loss (ECL)

ECL charge in the year was £5.6m, this is an increase of £1.7m (2022: £3.9m). This increase relates to a year on-year growth in expected credit loss provisioning largely reflective of higher average consumers bills across the 2023 period.

The main impact of the year is elevated tariffs. Revenues have significantly increased but this has been partially offset by Government support schemes reducing the impact of higher prices on end customers.



Governance Report

Board of Directors **38**

Governance & Directors' Report **42**

Audit and Risk Management Report **54**

Nomination and Remuneration Report **57**

Independent Auditors' Report..... **72**

Board of Directors



William (Will) Whitehorn

Chair (Independent)

Responsibilities



Skills and experience

Will focuses on fast-moving and growing companies, with extensive experience across a broad range of sectors, but especially in technology, digital and branding.

Will currently holds a number of other non-executive roles across a range of companies including at Seraphim Space Investment Trust PLC. Will currently sits on the UK Space Agency's Space Exploration Advisory Committee and he is also Chair of Craneware PLC. Will intends to step down from space technology company AAC Clyde Space AB of Sweden in May 2024.

Will spent more than 20 years with Virgin Group, where he played a key role in founding several Virgin businesses including Virgin Rail and Virgin Galactic and was special advisor to Sir Richard Branson.

As chair of the Board and a member of the Nominations and Remuneration Committee, Will has stewarded and guided Board discussions.

Joined Board

July 2018



Nigel Pocklington

Chief Executive Officer

Responsibilities



Skills and experience

Since joining Good Energy, Nigel has led the company's successful navigation of the energy crisis, and its repositioning as an innovative provider of services to homes and businesses making the energy transition.

Nigel is a widely experienced senior executive with a strong commercial, digital, and operational track record spanning over 25 years. He most recently served as Chief Commercial Officer of Moneysupermarket Group plc. Prior to this, he held senior roles at Expedia Inc., including President of eBookers and Chief Marketing Officer of Hotels.com.

He spent a decade of his early career at Pearson plc, including a period leading the digital operations of the Financial Times. He holds an MA and M.Phil from Oxford University and an MBA from INSEAD.

In August 2023 Nigel joined the Board of Mobico plc, a leading international transport operator, as a Non-Executive Director. Nigel has also been a Non-Executive Director and remuneration committee chair at Kin + Carta plc, a global digital transformation business focused on helping make the journey to becoming a digital business tangible, sustainable and profitable and stepped down in April 2024.

Joined Board

May 2021



Chief Executive Officer



Chief Financial Officer



Audit & Risk Committee



Chairman of the Board



Chief Operating Officer



Nomination & Remuneration Committee



Rupert Sanderson

Chief Financial Officer

Responsibilities



Skills and experience

Rupert joined Good Energy in February 2017 and is responsible for all finance and trading matters, including managing our financial stakeholders.

Having worked widely in larger support services and energy organisations as well as in supporting smaller organisations through growth programmes, Rupert brings valuable experience to Good Energy as it develops its services and propositions.

His previous roles include senior financial and commercial positions at Centrica, British Gas, Serco and Avis Europe.

Rupert began his career as an accountant for PwC and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Joined Board

January 2020



Fran Woodward

Chief Operating Officer

Responsibilities



Skills and experience

Fran joined Good Energy in 2014 and oversees Sales, Energy Origination, Marketing, Customer Operations and the People and Culture functions.

She has over 25 years leadership experience from a breadth of organisations including Marks & Spencer, Legal & General, Coca-Cola, Dyson and EDF. Fran ensures the customer is at the heart of Good Energy's strategy, culture and its operations, drawing on her early career in retail and consumer goods, and on multiple senior HR and transformation roles.

Under Fran's leadership Good Energy's operations team has achieved outstanding customer service, with industry leading 5 star Trustpilot scores. Her experience has been invaluable in ensuring the smooth integration of newly acquired businesses to the Good Energy group. Fran's commitment to creating a high performing trust-based culture saw Good Energy named as the UK's 17th best large company to work for in 2023.

Fran is a graduate of Oxford University, a Chartered Member of the Institute of Personnel and Development, sits on the CBI South West Regional Council and is a governor of Falmouth University.

Joined Board

October 2023

Board of Directors



Timothy (Tim) Jones

Independent Non-Executive Director

Responsibilities

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Skills and experience

Tim is a Technology Executive, Advisor and Angel Investor who brings 25 years of digital innovation, execution and operation experience to the Board.

He is a former executive of Moneysupermarket Group plc where he was CIO for 7 years and a co-founder and former executive at AutoTrader UK. Tim is the founder and CEO of Disrupt Club, a specialist digital advisory firm.

Tim is a chartered engineer (CEng) and chartered IT professional (MBCS CITP) with a depth of experience in leading digital transformation and commercial growth; both scaling early stage companies and the formation and leadership of highly performing teams in established organisations. Tim has extensive experience in delivering innovative consumer propositions in various online sectors such as retail, automotive, travel, marketplace and the highly regulated insurance, financial services, energy and telecommunications markets.

Tim was appointed Non-Executive Director in December 2017 and is a member of the Audit and Risk and Nominations and Remunerations Committees. Tim has brought valuable expertise to bear in guiding the development of Good Energy's technology teams as well as advising on the development of new products and services and the businesses strategic investment in Zapmap.

Joined Board

December 2017



Emma Tinker

Independent Non-Executive Director

Responsibilities

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AR

Skills and experience

Emma is a private equity investment Director who brings a wealth of investment experience. She is a Director of numerous renewable energy companies, established the renewable energy business at HG Capital in 2002 and founded Asper Investment Management in 2016 as the spinout of that business where she is Chief Investment Officer. She has been a Director for renewable developers and independent power producers, working across a range of renewable technologies.

Emma has substantial commercial experience spanning the entire lifecycle of investments in energy businesses, and has worked across a range of renewable technologies. Emma is also a Director of the Gardeners' Royal Benevolent Society.

As well as being the Chair of Good Energy's Nominations and Remuneration Committee and being a member of the Audit and Risk Committee, Emma has provided invaluable advice and support to the strategic acquisitions of Wessex ECOEnergy Limited and JPS Renewable Energy Limited.

Joined Board

September 2016



Nemone Wynn-Evans

Independent Non-Executive Director

Responsibilities



Skills and experience

With extensive experience in financial services, Nemone brings skills across audit, risk management, business development, corporate finance, corporate governance, investor relations and marketing.

Nemone is currently Board Chair at the Shepherds Friendly Society. She also holds several roles across a range of companies, including as Chair of the Board at the Hinckley and Rugby Building Society, and as a Non-Executive Director at the Income and Growth Trust VCT plc, managed by Gresham House Ventures, where she chairs the Audit Committee. She is also a Fellow of the Chartered Institute of Securities and Investments.

As well as Chairing Good Energy's Audit and Risk Committee, Nemone has played an integral role providing corporate governance advice, support to Good Energy's finance team in particular in relation to the preparation of financial statements and risk oversight.

Nemone began her career in the City of London and has worked with many listed PLC and PRA/FCA/FSA regulated companies, having acted as a Finance Director on the main Board of a stock exchange.

Joined Board

February 2019

Governance & Directors' report

Overview

Good Energy is committed to high standards of corporate governance and places good governance at the heart of the business. In July 2018, the Board formally adopted the Quoted Companies Alliance code of corporate governance ("the Code") in line with requirements of the London Stock Exchange's Alternative Investment Market ("AIM") Rules. The Board believes that the Code provides a rigorous corporate governance framework to support the business and its success in the long-term.

The Code was recently updated, with changes to take effect for financial periods commencing on or after 1 April 2024. This report relates to a previous financial period and therefore, while the Company is mindful of the evolving Code requirements, it has been prepared by reference to the then applicable Code. The Company is currently undertaking an impact assessment to assess any changes that may be required to ensure that the Group meets the expectations of the updated Code for future reporting periods and an update will be provided in the next annual report.

The Code sets out 10 corporate governance principles. The ways in which Good Energy meets these principles is described in the following sections and incorporates information about the ways in which the Board discharges its duties under s172 of the Companies Act 2006. The fully integrated s172 statement is available on pages 24 to 29. This governance report is also available to view on our website at goodenergy.co.uk/investors/corporate-governance-code.

1. Establish a strategy and business model which promote long-term value for shareholders

S Good Energy is a different kind of energy company, powering a cleaner, greener future. We make it simple to generate, use and share renewable energy and have set ourselves the objective of delivering everything needed for a greener home or business.

The Board considered the long-term interests of Good Energy's stakeholders and set a course which aligns those interests with those of the Company, promoting the long-term interests of the Company and long-term value for all its shareholders.

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R Good Energy is well positioned to deliver long-term value for all shareholders through the implementation and delivery of its strategy to become the micro generation specialist, focusing on:

- **Energy services:** Heat pump, solar and storage installation, export tariffs and the Feed in Tariff administration.
- **Transport:** Making it simple to own, drive, power and pay for an electric vehicle through its 49%

ownership of the UK's largest mapping platform Zapmap.

- **Renewable supply:** Serving around 90,000 business and domestic customer with renewable supply and a range of smart import energy tariffs.

Good Energy continually reviews and aligns its business model to better enable delivery of its strategic ambitions. We have engaged our people through ongoing communication, using multiple channels to reinforce the pioneering, agile culture that enables Good Energy to continue to innovate and drive change.

For an update on the excellent progress made in pursuit of this strategy, read our strategic review on pages 10-12.

Read more about our business model on pages 8-9.

2. Seek to understand and meet shareholder needs and expectations

The Company is proud to have a diverse shareholder base, including a significant proportion of private shareholders (many of whom are also Good Energy customers) and other long-term investors. The Board seeks to understand the needs and expectations of its stakeholders, particularly shareholders, through insight gained from regular customer surveys and focus groups, periodic investor surveys and obtaining structured feedback from investor roadshows. Good Energy's strategy responds to the insight gained through these consultations.

Good Energy provides all shareholders and other stakeholders with relevant information in a timely and balanced manner and meets with its largest shareholders periodically to understand their views on Good Energy's performance and future plans. In addition, a comprehensive Investor Relations programme is undertaken to increase engagement and education of current shareholders as well as attendance at multiple speaking events to promote awareness of the Company to new potential shareholders.

The Company actively encourages all shareholders to participate in its AGM as an opportunity for all shareholders to share their views openly with the whole Board and other shareholders.

Read more about our stakeholder engagement and the impact of it in the year, in our integrated s172 statement on pages 24-29 and in principle 10.

3. Consider wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises its primary legal responsibility to promote the success of the Company for the

benefit of its members as a whole, taking into account the interests of other stakeholders including customers, employees, partners, suppliers, regulators, the environment and the local communities in which Good Energy operates.

Purpose-led from the outset, Good Energy continues to prove that the "other way" is better:

- Achieving "World Class Employer" accreditation for the second year running and ranked the 17th best large employer in the UK by Best Companies.
- Which? magazine's latest ranking of green energy suppliers saw us top the league table for the third year running. The research from Which? rates energy companies on sustainability, awarding Good Energy the highest score and Eco Provider badge.
- We have long-term power purchase agreements with our community of over 2,000 independent UK generators, buying power directly from them and using it to match every kWh customers use.
- Following the acquisition of Wessex ECOEnergy Limited in July 2023, we are engaging with the programs run by industry bodies Solar Energy UK and SolarPower Europe, to ensure that we only source products from partners who represent acceptable levels of risk and are themselves engaged in improving standards across the industry.
- We were named "best green electricity supplier" and one of the UK's most ethical companies of the last 25 years by Ethical Consumer Magazine.
- Our 'Excellent' 4.8 rating on TrustPilot, accredited by customers.
- We are also proud to have been an accredited Living Wage employer since 2015.

Establishing the right culture is an integral part of delivering Good Energy's strategy, in which employees are key internal stakeholders within the business and developing its culture.

Read about our Best Companies accreditation on page 26.

Read more about our wider stakeholder engagement on pages 24-29.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

Good Energy recognises that effective enterprise risk management is critical to enable it to meet its strategic objectives.

We have a clear framework for identifying and managing risk, at a tactical, operational and strategic level and a dedicated Information Governance, Risk and Compliance Team. Our risk identification and mitigation processes have been designed to be responsive to the rapidly changing environment in which we operate. The impact of emerging risks on the Good Energy's business model are also considered and used to make informed decisions, including as to the delivery and evolution of our strategy.

We believe the Group is well positioned to mitigate these principal risks through a combination of our risk management processes, our control activity and the strategic direction we are pursuing.

The Board embeds effective risk management and remains ultimately accountable. The Audit and Risk Committee provide updates at every Board meeting in addition to regular reviews of the corporate risk register and the Company's risk appetite.

Risk management training courses which include climate-related risks, are held for all senior leaders, with instructions on how to identify, measure, control and manage risks. The training consists of e-learning and two workshops, which are mandatory for senior leaders across Good Energy Limited and our heat pump installation business and optional for the rest of the Group.

Read more about our principal risks on pages 30-31 and more on risk management and controls in the Audit and Risk Committee Report on pages 54-56.

5. Maintain the Board as a well-functioning, balanced team led by the Chair

The Board currently comprises three Executive, the Chair and three Non-Executive Directors as described on pages 38 to 41. The roles and responsibilities of the Chair, Non-Executive Directors, Executive Directors and the Company Secretary are clearly defined and regularly reviewed.

Details of current roles and responsibilities are set out in the table overleaf. The Board meets at least four times a year with ad hoc meetings taking place as required. For Board meetings, the management team submit reports for consideration and the Board has a formal schedule of matters reserved to it. The Board has access to the company secretarial team and is able to take independent advice in the furtherance of duties if necessary.

The Board is aware that the latest version of the Code, for application to financial periods commencing on or after 1 April 2024, anticipates that shareholders could be offered an opportunity to vote annually on the election of individual directors. At present the Company requires one third of directors to retire by rotation and be re-

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elected by shareholders. The Board is confident in the independence of the Non-Executive Directors and will consider the application of this principal of the Code in future reporting periods. See page 49 for more details about Director independence.

The Nomination and Remuneration Committee discusses time commitments from Directors, particularly Non-Executive Directors. Over the reporting period Non-Executive Directors spent 20-25 days with Good Energy, the latter if they are Chair of a Committee.

The Board		
Role of the Board	<ul style="list-style-type: none"> Setting Group strategy and objectives in collaboration with the Executive. Providing leadership, knowledge and experience to support and guide the Executive. Engaging with all shareholders. 	<ul style="list-style-type: none"> Overseeing and monitoring business performance, internal controls, corporate governance and risk management. Oversight of principal risks – including competitive position, political risk and programme delivery.
Chair William Whitehorn	<ul style="list-style-type: none"> Effective running of the Board and its Committees in accordance with principles of good corporate governance. Setting the Board agenda. 	<ul style="list-style-type: none"> Managing the Board to ensure adequate time is allocated at Board meetings for discussion of all agenda items. Ensuring the Board receives accurate, timely and clear information.
Non-Executive Directors	<ul style="list-style-type: none"> Providing knowledge, skills and external experience to challenge the Company's management team and independently advise the Chair and the Executive. 	
Chief Executive Nigel Pocklington	<ul style="list-style-type: none"> Overseeing the day-to-day operation of the Group's business. Developing and implementing the Group's strategy as approved by the Board. 	<ul style="list-style-type: none"> Establishing and maintaining formal and appropriate delegations of authority. Maintaining a close working relationship with the Chair.
Chief Financial Officer Rupert Sanderson	<ul style="list-style-type: none"> Overseeing Financial Reporting, Trading, Legal, Compliance and Risk, Regulatory Affairs and Procurement. Overseeing and managing financial resources for the Group and its subsidiaries. 	<ul style="list-style-type: none"> Maintaining a close working relationship with the Chair of Audit and Risk Committee.
Chief Operating Officer Fran Woodward	<ul style="list-style-type: none"> Overseeing Sales and Energy Origination, Marketing, Customer Operations and the People and Culture functions. 	<ul style="list-style-type: none"> Overseeing and managing Company operations for the Group and its subsidiaries. Maintaining a close working relationship with the Chair of Nomination and Remuneration Committee.
Company Secretary	<ul style="list-style-type: none"> The Board and each Director has unlimited access to the Company Secretary. Acting as Secretary to the Board and its Committees, ensuring compliance with Board procedures and corporate governance requirements, Directors' induction and ongoing training requirements. 	<ul style="list-style-type: none"> Providing governance, advisory and administrative support to the Board and its Committees.

Other information:

- The roles of Chair and Chief Executive have always been split with the Chair acting in a non-executive capacity.
- The Executive Directors are accountable to the Board for the operating and financial performance of the Group.
- The Board is responsible for approving the appointment of Executives, setting Executive remuneration and devising incentive programmes, agreeing financial and accounting policies and ensuring that all shareholders are properly informed about the state of the businesses. In addition, the Board is responsible for the appointment and removal of the Company Secretary.
- At the end of the reporting period, the Board comprised the Chair, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and three Non-Executive Directors. The Board considers that the Non-Executive Directors as a unit play an important role in ensuring that no individual or group dominates the Board's decision making.
- The Board does not consider that the appointment of a Senior Independent Director is appropriate at this time due to the small size of the Company and the Board.
- The Board has constituted two Committees: Audit and Risk and Nomination and Remuneration. Both Committees comprise only independent Non-Executive Directors.
- All current Directors hold shares in the Company with the exception of the Chief Operating Officer, although the Company does not require them to do so.

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, with the addition of the Chief Operating Officer in October 2023, it has an appropriate balance of skills and experience as well as an appropriate balance of personal qualities and capabilities to deliver the Company's long-term strategic objectives.

The Board acknowledges that the implementation of the Company's strategy to deliver installation services will require it to continually reassess the composition of its members and the likely evolution of the blend of skills and experience required to ensure that it can support the business.

The Board regularly reviews its composition and that of its Committees to ensure it has access to diverse perspectives and the necessary up-to-date experience, skills and capabilities to discharge its duties effectively.

The Nomination and Remuneration Committee also works to ensure the right balance of skills, knowledge and capabilities on the Board. Changes are made to the composition of the Board and its Committees to ensure the right balance of complementary skills and capabilities for Good Energy's strategic direction.

The Board also reviews the length of time each Director has served on the Board and assesses if contributions made by each Director remain effective. Details of the Director's gender diversity, balance of Executive and Non-Executive Directors and Non-Executive Directors tenure can be found below.

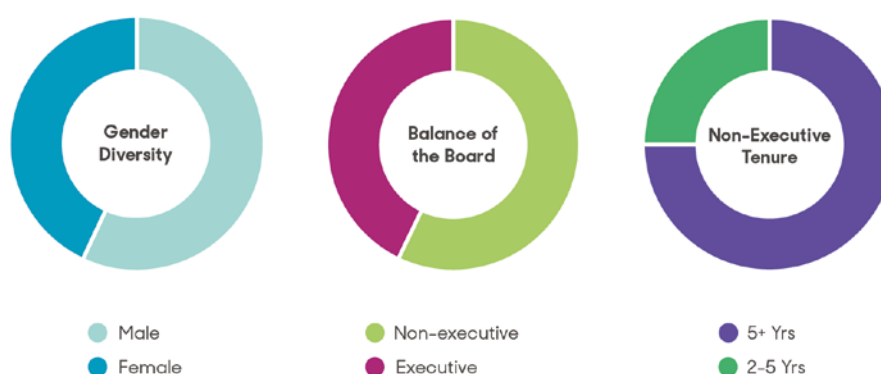
The Board receive routine updates on industry, regulatory and legal developments from the business and its advisers in addition to the Company Secretarial team who arrange any required training. The Board have access to additional resources and events held by external bodies such as the QCA.

The Board continues to have briefings on a variety of topics including developments in corporate governance and appropriate handling of personal data, insight from shareholders, customers and staff on their views and expectations of Good Energy as well as formal briefings from the Company's nominated adviser on updates to the AIM rules and other capital markets matters.

Procedures are in place to enable individual Directors to seek independent and/or external advice at the expense of the Company.

Read more about the Board of Directors on pages 38-41.

Read more about the Nomination and Remuneration Committee on pages 57-64.



7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board conducts an annual performance review process to assess its effectiveness, as well as that of its Committees and the individual Directors, to drive its continuous improvement.

The Board undertook an externally facilitated evaluation and review to assist in the facilitation of communication between the Board and the Executive team. The process is described in more detail on page 52.

8. Promote a corporate culture that is based on ethical values and behaviours

The Board recognises the importance of its role in promoting and monitoring the Group's desired culture and ensuring it is consistent with its long-term strategic objectives.

Good Energy's core values are to be fair, straightforward, inclusive and focused. See more about how we work on the next page.

We are committed to acting ethically in all our business relationships and expect the same high standards from our suppliers and other business partners. We communicate our policies internally and externally, to support all relevant stakeholders to uphold our values. Our recently acquired companies have values that aligned with Good Energy which was important in decision making during the acquisition process to ensure our deeply embedded ethics run throughout the entire Group. Read more about the acquisitions that have been made on pages 10-12.

Our Modern Slavery Act statement can be found on our website goodenergy.co.uk/modern-slavery-act, setting out our commitment to minimising risks of forced labour within our company and supply chain.

Our Code of Good Conduct is core to providing a positive customer experience, and is reviewed and updated if necessary annually as the Group continues to evolve. It is accessible on the company intranet, with an online learning module provided to all employees as part of their induction. Good Energy's Code of Good Conduct reflects the Board's duties under the Companies Act 2006, s172.

Our Code of Good Conduct:

- Covers seven themes which underpin our customer-centric approach: IT Security, Operating with Integrity, Whistleblowing, Valuing our People, Expenses, Information Governance and Procurement.
- Provides a framework to empower Good Energy employees to make informed decisions that are in the best interests of the Company, its customers and other stakeholders;
- Reflects the environment in which the Company operates;
- Mitigates risk;
- Explains where our employees can get advice including where to access our company policies; and
- Demonstrates the Group's commitment to working with honesty, respect and transparency.



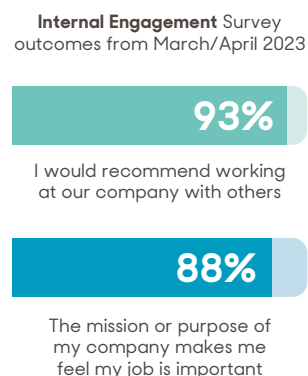
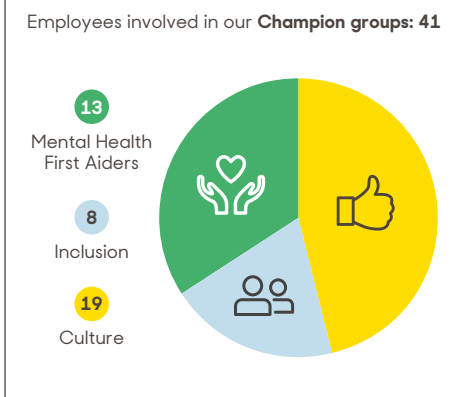
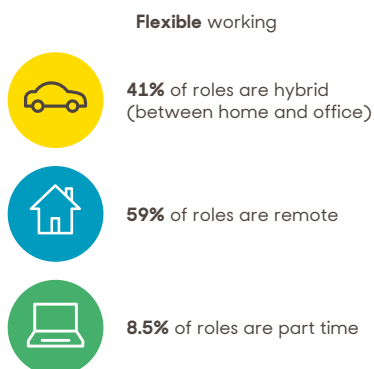
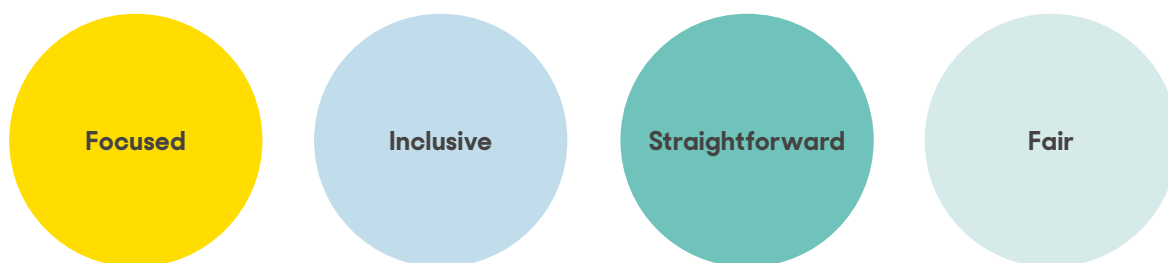
Promoting an inclusive and fair culture

We value people’s differences in creating a more productive and innovative organisation with an engaged workforce. The Group’s employment policies follow best practice in terms of equal opportunities for all employees, irrespective of race, gender, nationality, sexual orientation, disability, marital status, religion or age. This includes making reasonable adjustments during the hiring process and to working practices to accommodate the needs of people who are disabled or become disabled during employment with Good Energy.

Formal and informal flexible working requests are open to everyone. To further support the diversity of our workforce, our team of employee Inclusion Champions help shape our diversity and inclusion initiatives. See page 57 for details. In 2023, we opened up more hybrid and remote roles to broaden our recruitment pool.

Finally, we conduct regular Pulse surveys on issues affecting our workforce, to make sure everyone can share their experiences. We also carry out annual employee engagement surveys using the Gallup approach.

How we work



Our gender pay gap report is set out on our website at goodenergy.co.uk/reports-and-policies and our section 172 statement is available on pages 24–29.

G 9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Good Energy’s governance structures support its corporate culture and are appropriate to its stage of development and the complexity of the business. The Board has established a Nomination and Remuneration Committee and an Audit and Risk Committee to support effective governance and decision-making.

The Board’s Committees	
Nomination and Remuneration Committee	Audit and Risk Committee
Board Composition	Corporate Governance
Succession planning	Financial Reporting
Board nominations	Internal Controls
Remuneration policy	Risk Management
Incentive design and target setting	External Auditor
Executive remuneration review	Oversight of principal risks R

The key areas for focus for the Committees are listed above.

The Board continuously monitors the effectiveness of its governance structures, enabling them to evolve over time to support Good Energy’s growth and development.

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Good Energy welcomes dialogue with shareholders, particularly the need for open communication on the Company’s strategy, and takes care to calibrate perspectives expressed by individual members in the context of Good Energy’s members as a whole.

Principal communications with all shareholders are conducted through the Annual and Interim results, AGM and periodic RNS announcements on key business developments. Good Energy supplements its Annual and Interim results with presentations to analysts and other interested stakeholders (all available on its website) and meets with larger shareholders at least twice annually to discuss both performance and governance, as well as our future plans and one to one meetings. The Board actively encourages shareholder participation at its Annual General Meeting and general meetings. Since 2020, Good Energy have used the Investor Meet Company platform enabling all shareholders to interact with the CEO and CFO at key financial events. Engagement levels can be viewed on page 27 of the s172 statement.

Good Energy’s Investor Relations team supports effective communications with shareholders and other investors and can be contacted at: investor.relations@goodenergy.co.uk. In addition, there is a dedicated group website at goodenergy.co.uk/investors and an option to sign up to investor related alerts.

The Board also recognises the importance of maintaining effective engagement with other stakeholders and taking into account the interests of internal and external stakeholders when making decisions. Examples of ways in which Good Energy maintains active communication with other stakeholders are described in our section 172 statement on pages 24–29 of the strategic report.

The Board and its Committees

The Board is ultimately responsible to all shareholders for the direction, management and performance of the Company and its business.

Biographies of the Board's Directors are set out on pages 38–41. Details of the Directors' remuneration, including share options, are set out in the Nomination and Remuneration report on pages 61 and 64. Details of the Directors' interests in ordinary shares in the capital of the Company are set out on page 66 under Statutory and other information.

The Board maintains a list of matters reserved for its approval, generally being items which affect the shape, risk profile or strategic direction of the Group, as well as the key financial items. The Board reviews this annually and it is updated as necessary.

The Board has established two principal committees which focus on particular areas as set out on page 48. The Chair of each Committee reports to the Board on its activities after each Committee meeting. Reports from each Committee are included later in this section.

Matters that are not reserved to shareholders, the Board or one of its Committees are the responsibility of the Executive Directors who have established and maintain a documented schedule of delegations of authority to members of the Executive and other management. This delegation of authority is incorporated within Good Energy's Code of Good Conduct and includes a detailed authorisation matrix covering financial limits and approvals needed when conducting business on behalf of the Group. The delegation of authority is regularly reviewed.

Board and Committee Changes

As part of its annual performance review process and otherwise as required, the Board reviews its composition to ensure that the Group has access to a balance of complementary skills and experience to enable the Group to achieve its strategic ambitions and wider purpose.

On 20 October 2023, the Company announced the appointment of Fran Woodward, Chief Operating Officer as an Executive Director to the Board. Fran joined Good Energy in 2014 and is responsible for Sales and Energy Origination, Marketing, Customer Operations and the People and Culture functions. Fran's full biography can be viewed on page 39.

Read more about the Board of Directors on pages 38–41.

Read about succession planning on page 52.

Independence of the Non-Executive Directors

The Board conducts an annual review of the independence of the Non-Executive Directors taking into account any factors that might, or could appear to, affect a Director's judgement and, therefore, their independence, and considers all three of its Non-Executive Directors to be independent in both character and judgement.

The Chair, Will Whitehorn, was independent upon appointment to the Board in July 2018.

Directors' Conflicts of Interests

Directors have a statutory duty to avoid situations in which they have, or could have, interests that conflict with those of the Company, unless that conflict is first authorised by the Board. The Company's Articles allow the Board to authorise any potential or actual conflict of interest that a Director may have and a process to identify and deal with any such conflicts is in place. Should a Director become aware that they, or their connected parties, have a new potential or actual conflict of interest, they must notify the Board. The Board then deals with each conflict on its merits, taking into consideration all the relevant circumstances. All potential and actual conflicts approved by the Board are recorded in a Register of Interests, which is reviewed by the Board at each Board meeting.

Directors' Indemnities and Insurance

As permitted by the Company'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 and Officers.

Board and Committee composition

The following table sets out the composition of the Board and its committees as at 31 December 2023:

	Board	Audit and Risk Committee	Nomination and Remuneration Committee
Nigel Pocklington (CEO)	○	-	-
Rupert Sanderson (CFO)	○	-	-
Fran Woodward (COO)	○	-	-
Will Whitehorn (Chair)	●	-	○
Tim Jones (Non-Executive)	○	○	○
Emma Tinker (Non-Executive)	○	○	●
Nemone Wynn-Evans (Non-Executive)	○	●	○

● Chair ○ Member - Not applicable/invitation only

Board and Committee Attendance

Name	Board	Audit and Risk Committee	Nomination and Remuneration Committee
Executive Directors			
Nigel Pocklington	9/9	4/4*	4/4*
Rupert Sanderson	9/9	4/4*	4/4*
Fran Woodward ¹	2/2	1/1*	1/1*
Non-Executive Directors			
Will Whitehorn	9/9	4/4*	4/4
Tim Jones	8/9 ²	4/4	4/4
Emma Tinker	8/9 ²	4/4	4/4
Nemone Wynn-Evans ²	8/9	3/4	3/4

1. Pro-rated for the period of Directorship. Fran Woodward joined the Board effective 20 October 2023.

2. Tim Jones and Emma Tinker were absent from one Board call due to clashes with prior commitments and a short notice meeting being held to provide a specific approval. They were provided with meeting materials, provided comments and were updated post meeting. Nemone Wynn-Evans was unable to attend December Board meetings due to bereavement. She reviewed materials ahead of the meeting and provided comments as well as being provided with a full briefing following the conclusion of each meeting.

*. By invitation only.

Operations of the Board

G Details of the number of scheduled Board meetings and attendance of Directors is set out in the table on page 50. 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 (twelve months) and longer-term (three to five years) plans. Given the nature of the business, all meetings deal with climate-related matters.

In addition, it is responsible for matters relating to employee recruitment and remuneration, strategy, health and safety and other specific subject areas.

Where relevant, members of the Executive team and other senior leaders within the business are invited to attend Board and Committee discussions. Members of the Board also engage with members of the Executive team and other senior leaders directly on relevant initiatives.

S During the year, the Board and relevant Committees convened a number of ad-hoc proceedings to support the Group in developing, refining and implementing initiatives in support of its strategic ambitions. In addition, the Board or relevant Committees held regular informal discussions on a variety of topics to consider the impact of macro-economic events, developments in Government policy on the Company, and to provide guidance and insight to support the Company in delivering its short term and longer-term objectives.

In September 2023, the Board agreed to change its approach to its previous annual formal reviews of the strategy and concluded it would be more appropriate for a strategy update to be provided at quarterly board meetings.

Board packs are generally circulated at least one week ahead of scheduled meetings to allow adequate time for the Board and/or Committee Members to review information and prepare. Where a Director is unable to attend a meeting, the materials for the meeting are provided to them and subsequent briefings are provided as appropriate.

The Chair and Chief Executive maintain regular contact and the Chair receives a briefing from the Chief Executive before each scheduled Board meeting. The Chair provides a briefing to the Non-Executive Directors before each scheduled Board meeting to align priorities and maximise the Board's effectiveness at meetings. The Chair also regularly de-briefs with the Non-Executive Directors after meetings to capture feedback and identify opportunities for improvement. The Executive Directors do not participate in these discussions.

All 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 performance of the Group for each month against a pre-agreed set of performance targets. In addition, the Board receives information through a system of continuous financial planning which enables it to better manage profit and cash flow forecasting, and to inform investment decision making. The formal financial plan for the forthcoming year is reviewed and authorised by the Board.

Executive team

An outline of the roles and responsibilities of the Chair, Chief Executive and, Non-Executive Directors are provided on pages 44.

As at 31 December 2023, the Executive team comprised the Chief Executive, Chief Financial Officer, Chief Operating Officer, Technology Director and Director of Product and Propositions.

The Executive team is an executive-level forum of the Group's most senior leaders, chaired by the Chief Executive. It comes together to communicate, review and agree on issues and actions of Group-wide significance. It helps to develop, implement and monitor strategic and operational plans, considers the continuing applicability, appropriateness and impact of risks, leads the Group's culture and aids the decision-making of the Chief Executive and Chief Financial Officer and Chief Operating Officer in managing the business in the performance of their duties.

There are regular forums to provide clearer governance allowing the Company to strengthen in good decisions, reduce risks, and review strategic plans, alongside the Audit and Risk Committee and the Nomination and Remuneration Committee. In 2023, monthly forums included the Executive Committee, Customer and Operations Board, Energy Board, Works Board and Wessex Board. Sales and Operations meetings are weekly. 2024 will see changes to our governing boards to reflect the transition into energy services and the acquisitions made.

Board and Directors' Performance Evaluation

The Board has undertaken an externally facilitated evaluation and review to assist in the facilitation of communication between the Board and the Executive team. The facilitation was carried out by Pecan Partnership Ltd and as part of the review they undertook confidential interviews with members of the Board and the Senior Leadership Team. The outputs of the review were shared with the Board and discussed in detail. The review recommended the following areas of focus:

- Content and clarity of board papers.
- The development of the relationship between the Board and the Company's Senior Leadership Team.
- The measurement and consistent monitoring of KPIs in the business.

The Board has discussed the findings in detail and will continue to review and monitor the actions arising from the review.

Succession planning

The Board has reviewed its approach to succession planning, which includes contingency planning for key staff (including head of function) and short-medium-long term planning.

As well as contingency and short-medium-long term planning, succession planning considers diversity which applies to all levels and promoting talent across the business.

Read more about developing our talent in the Nomination and Remuneration Committee report on pages 57-58 and on page 26 in the strategic report.

Performance of individual Directors

The individual performance of Executive and Non-Executive Directors is reviewed periodically. The cumulative time commitments of Non-Executive Directors are reviewed as part of the annual performance review to ensure that no Non-Executive Director becomes over-committed and is able to devote sufficient time to the Company to discharge duties effectively. The Chair's performance is reviewed by the Non-Executive Directors, with input from the Executive Directors and members of the Executive Team as part of the Board effectiveness review.

The performance reviews and subsequent remuneration reviews of members of the Executive team are discussed at the Nomination and Remuneration Committee during the first quarter each year and on an ad hoc basis as required. Members of the Executive team do not attend discussions pertaining to their own performance.

Annual General Meeting (AGM)

The Company is pleased to invite all shareholders to its 2024 AGM. All holders of ordinary shares may attend the Company's AGM and pre-AGM online presentation at which the Chief Executive Officer and Chief Financial Officer present a review of the key business developments during the year.

At the meeting, shareholders can ask questions of the Board on the business of meeting, including the Annual Report and Accounts and the running of the Company generally. All Directors are invited to attend each AGM. Unless unforeseen circumstances arise, the Chair of each committee will be present to take questions at the AGM.

The AGM notice will be circulated to members through their preferred communication methods and will also be available to view on the Group's website.

A poll is conducted on each resolution at all Company general meetings. All shareholders have the opportunity to cast their votes in respect of proposed resolutions by proxy, either electronically or by post. Following the AGM, voting outcomes are published and are made available on the Group's website. Shareholders unable to attend the AGM can vote on the business of the meeting either by post or online.

The time and venue for the 2024 AGM will be announced in the second quarter of 2024.

Good Energy Bonds

On 19 June 2017, the Company announced that it had raised £16.7m through the issuing of its second corporate bond. The bond had a four year term, rolling annually thereafter unless redeemed by the bondholder. Interest accrues and is payable semi-annually on the outstanding amount of the bond at 4.75% per annum (with an additional 0.25% per annum payable to Good Energy customers).

On 25 May 2021, Good Energy announced the repayment of 70% (£11.5m) of Good Energy Bonds II. Since then, the following redemptions have been requested:

Repayment Date	Redemptions requested and paid
30 June 2021	£420,750
30 June 2022	£169,125
30 December 2022	£230,940
30 June 2023	£10,500

Further details are available on the Group's website: goodenergy.co.uk/investors/good-energy-bonds and will be communicated directly to bondholders.



Audit and Risk Management report



Nemone Wynn-Evans

Chair of Audit and Risk Committee

“ Good Energy has a clear framework for identifying and managing risk, both at an operational and strategic level.”

Overview

Good Energy recognises that effective risk management is critical to enable it to meet its strategic objective.

R The Group has a clear framework for identifying and managing risk, both at an operational and strategic level. Its risk identification and mitigation processes have been designed to be responsive to the changing environment in which it operates. The impact of emerging risks on the Good Energy's business model are also considered and used to make informed decisions, including as to the delivery and evolution of the Group's strategy.

A summary of the principal risks facing the Group is set out in the strategic report on pages 30-31.

The Board retains overall responsibility for the Company's risk management and internal controls framework. While the Board retains oversight of the Group's principal risks and the suitability of the internal controls, responsibility for reviewing the effectiveness of risk management and internal controls is delegated to the Audit and Risk Committee which reviews this annually.

The system of internal controls is designed effectively

to manage, rather than eliminate, the risk of failure to achieve business objectives.

Audit and Risk Committee

G

The members of the Audit and Risk Management Committee are shown on page 50.

Emma Tinker and Nemone Wynn-Evans are considered to have recent and relevant financial experience. The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and colleagues from the Company's Information Governance, Risk and Compliance team attend meetings of the Committee by invitation. Matters discussed at the Audit and Risk Committee are routinely reported to the Board.

The primary duty of the Audit and Risk 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 Committee meets at least annually with the Group's external auditors to review and agree the audit services being provided to the Group, including any non-audit services. It also meets with external auditors, without management being present, to discuss the audit process.

During the period, the Committee:

- oversaw the extension of its risk control framework following the acquisition of Wessex ECOEnergy Limited;
- oversaw ongoing improvement of financial and operational reporting and controls;
- oversaw the design and implementation of Good Energy Limited's approach to the fitting of prepayment meters;
- reviewed and approved updates to the Group's delegation of authorities;
- oversaw health and safety reporting across the Group;
- reviewed the performance of the Group's auditors; and
- ensured the principal risks remained monitored and mitigated where possible.

Risk control environment and internal audit

The Company has an established risk and internal audit function which sits with the Chief Financial Officer. The function is led by the Head of Information Governance, Risk and Compliance who routinely meets with the Chair of the Audit and Risk Committee to discuss new and emerging risks.

The function is responsible for Good Energy's risk management activities, and internal audits. As such,

its activities include ensuring the regular review of internal controls relating to principal risks, reporting on risk events to the Audit and Risk Committee and reviewing and testing the effectiveness of internal controls through audit reviews. Good Energy has a dedicated Compliance Team in place to provide context to company risk and assurance at an operational level to support the internal audit function. Further information regarding principal risks is available on pages 30-31 in the strategic report.

The Board has assumed responsibility for the health and safety reporting in respect of the companies recently acquired by the Group and receives a report on health and safety activity at each quarterly meeting.

An assessment of risks posed to the Group in respect of the acquisition of Wessex ECOEnergy Limited has been undertaken and the principal risks and mitigations are recorded on the Good Energy Group plc corporate risk register, maintained by the Head of Information Governance, Risk and Compliance.

G Climate-related risks

The Executive team, along with the Audit and Risk Committee have formal oversight of the process, decision making and responsibility of all climate-related risks and opportunities. The Audit and Risk Committee is informed of material changes to any climate-related risks identified and updates on carbon reduction at each meeting. No material risks were reported in the year. For more information on climate-related risks and opportunities see:

Principal risks – regulatory environment page 31.

Documentation regularly presented to the Committee is described on pages 68-73 of the 2021 Annual Report.

External audit

Following a competitive tender process for its audit work, overseen by the Audit and Risk Committee, the Group appointed Mazars as auditors during 2021. Mazars appointment was confirmed by members at the 2021 AGM. The Committee are satisfied with the performance of Mazars and recommend their re-appointment to shareholders at the forthcoming AGM and will consider whether to re-tender the audit after a five year period, or earlier if appropriate.

The Audit and Risk Committee monitors the Group's safeguards against compromising the objectivity and independence of the external auditors. It annually reviews any non-audit services provided to the Group and their cost, and whether the auditors believe there are any relationships that may affect their independence and obtaining written confirmation from the auditors that they are independent.

The Audit and Risk Committee has also reviewed its policy for awarding non-audit work.

For the financial year ended 31 December 2023, the Committee has conducted its review of the auditors'

independence and concluded that no conflict of interest exists between Mazars audit and non-audit work. The Audit and Risk Committee is using Mazars for audit only services.

Whistleblowing policy

The Group's whistleblowing policy is supported by a clear process where concerns can be raised internally at all levels as well as to the Non-Executive Directors. An independent person may be engaged in some cases. The policy also includes reference to the list of prescribed persons or bodies that may be contacted outside of Good Energy, with contact details. The policy applies to any person, from employees to casual contract workers, who may raise concerns about wrong doing, poor practices, risks or dangers in relation to the Company's business dealings or activities.

The whistleblowing policy is reviewed annually by the Audit and Risk Committee. Any whistleblowing incidents and their outcomes are reported to the Committee and by exception, to the Board by the Chair of Audit and Risk Committee. No reports were made during 2023.

Going concern

The financial statements have been prepared on the going concern basis as the Directors have assessed that there is a reasonable expectation that the Group will be able to continue in operation and meet its commitments as they fall due over the going concern period. The going concern assessment covers a period of at least 12 months from the date of approval of the financial statements.

The Group has had a strong financial performance in 2023 despite significant pressure from commodity markets and has continued its strategic growth into Energy services.

The unrestricted cash balance at the end of 2023 stood at £41.3m, giving the business a strong and stable base to deliver on businesses commitments and to deliver its strategic objectives.

Looking to the future, the Group has performed a going concern review, going out until the end of 2025, considering both a base case, and various externally provided scenarios. The scenarios were provided by Ofgem in late 2023 as part of their review into the financial stability of UK Energy suppliers. Having reviewed this forecast, the business can demonstrate that it can meet all tested scenarios with sufficient cash reserves in place to support further unexpected challenges.

The scenarios are price-based impacts reflecting the volatility in the wholesale and supply market seen over the past couple of years. All scenarios include existing hedge positions for Good Energy (Dec23). All scenarios assume domestic customer churn continues at minimal levels as seen in the supply industry over the past 2 years. This low level of churn is expected to remain until wholesale prices stabilise

and suppliers feel confident in pricing below the current prices set by Ofgem. The scenarios assume Government support schemes are in place. The scenarios are:

Scenario 1 – Central Price

Scenario 2 – Low Price

Scenario 3 – High Price

Scenario 4 – Supplier Base Case

From a tariff perspective all scenarios reflect the movement in default/deemed price capped tariffs directly linked to wholesale costs developments. These deemed and default price movements were provided by Ofgem to ensure these key assumptions mirrored the wholesale costs scenarios. As Good Energy has a derogation from the price cap, it is allowed to change the level of its SVT tariff to reflect the true cost of supplying renewable energy. This derogation allows Good Energy to change price sooner than changes to default/deemed tariff changes, allowing us to match more effectively between cash in and cash out of the business.

In all scenarios cashflow remains sufficient to meet all commitment as they fall due without additional mitigations being implemented or a need for additional funding sources to be found. Further to this, in all scenarios the business could deliver additional mitigations which could include discretionary costs reductions, additional prices increase as well as working capital optimisation to further strengthen the cash position to cover unexpected shocks.

Other impacts not included in the modelling include low wind output levels in a year. The company hedges to seasonal normal levels of wind, solar and temperature. In 2021 there was a year of significantly lower wind than seasonally normal which had a materially negative financial impact on the business.

However, the business has not modelled this as a going concern scenario for two reasons. The first is modelling to seasonal norms will work over a longer-term basis, and secondly, we have taken significant steps to mitigate the impacts of low wind within our portfolio and thus feel the scenario is already addressed.

All scenarios prudently reflect the repayment of £5m of bond debt in 2024/2025, however, formal redemptions mean only £0.2m is officially due for repayment in 2024. Excluding bond debt, the business has no other material (£1m+) debt repayments due in the next 18 months. The business has also taken a prudent approach to customer credit balances with significant reductions forecast over 2024/25 before holding the remaining balance stable. Therefore, Directors are confident in the ongoing stability of the Group, and its ability to continue operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors adopt the going concern basis in preparing the financial statements.



Nomination and Remuneration report



Emma Tinker

Chair of Nomination and Remuneration Committee

“Hiring and retaining talented employees is integral to meeting its objectives by maintaining an experienced, productive workforce.”

Overview

Good Energy recognises that valuing the different skills and perspectives brought to the company through hiring people from a diversity of backgrounds creates a more innovative and effective organisation. Good Energy also recognises that hiring and retaining talented employees is integral to meeting its objectives by maintaining an experienced, productive workforce.

The Board retains overall responsibility for the Group's people and reward strategies.

In 2020 a Diversity and Inclusion working group of 'Inclusion Champions' was established, involving employees from across the business. The Inclusion champions continue to work on employee engagement, analysing data and implementing initiatives to enhance the Group's commitment to a diverse workplace. Good Energy is an Inclusive Employers member, giving all employees access to expert inclusion and diversity support from established leaders in the field, via webinars and other resources. More details are available on page 47 and in the strategic report on pages 26 and 29.

The Company considers inclusion and diversity through its recruitment selection processes, opportunities for development and promotion and reviews of pay and benefits. Diversity, equality and inclusion guidance and online training is provided to all employees during induction.

While the Board reviews the suitability of these strategies annually, responsibility for reviewing the effectiveness of these strategies and underlying plans is delegated to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are shown on page 50.

The primary duties of the Nomination and Remuneration Committee are to:

- review the structure, size and composition of the Board and its Committees to ensure that they remain appropriate to support the Company's growth and development, and making recommendations to the Board;
- ensure that there is a formal, rigorous and transparent process for the appointment of new Directors to the Board;
- to consider and develop succession plans appropriate for the Group;
- determine the Group's approach to the remuneration of the Executive Directors and senior managers of the Group, on behalf of the Board;
- conduct an annual appraisal of the performance of the Executive Directors;
- assess Group performance against performance targets within reward schemes; and
- oversee the group-wide remuneration strategy and application of the remuneration policy, particularly with respect to diversity, inclusion and gender pay.

The Nomination and Remuneration Committee applies a remuneration policy relating to Director's remuneration which considers salaries, pensions, benefits, bonuses and LTIP awards.

No Executive Director may be involved in any decisions as to their own remuneration.

The functions of a Nomination Committee were introduced to the pre-existing Remuneration Committee during 2016. In 2019 and 2023, the Board considered whether these functions would be better separated into two separate committees and concluded that it remained appropriate for the functions to be combined within a single committee. The Board will review this periodically.

During the period, the Committee:

- reviewed overall appropriateness of the Executive management structure in order to implement and deliver company strategy;
- conducted a benchmarking review of executive and non-executive remuneration, assisted by KPMG;
- oversaw the appointment of Chief Operating Officer Fran Woodward to the Board; and
- spent time on succession and contingency planning including being consulted on the development of internal talent and female leadership roles.

Nominations

The Committee will keep under review the composition of the Board, the mix of skills and experience of the Directors and the needs of the business, having due consideration for the benefits of diversity, and support the Group in developing appropriate succession and contingency plans of key staff to meet its long-term objectives.

The Board remains focused on promoting diversity across the organisation. As at 31 December 2023, at Board level we have 43% (3 of 7) women.

The Company gender pay gap report is available on our website [goodenergy.co.uk/reports-and-policies](https://www.goodenergy.co.uk/reports-and-policies) which includes the steps described to close the gap across the organisation as a whole, however the Committee considers that disparity was largely due to the recruitment of Nigel Pocklington as Chief Executive Officer in May 2021.

The Committee is responsible for reviewing the time commitments of each Director both prior to all appointments and annually, as part of the Board review process, to ensure that all Directors devote sufficient time to the Company to discharge their duties effectively.

Read more about succession planning on page 52.

Read more about the skills and experience of the Directors on pages 38–41.

Remuneration

Information about the remuneration of the Directors of the Company for the year ended 31 December 2023 is set out in the following section. This report is unaudited and has been prepared in accordance with the requirements for AIM listed companies set out in the Companies Act 2006 and the AIM rules.

The Group's bonus and share-based incentive schemes have been in place since 2016 and remain aligned with current best practice. They are designed to motivate and incentivise key talent to assist the Group in achieving its strategic aims whilst remaining consistent with its tolerance for risk and comprise:

- an Annual Bonus Plan that encompasses both financial and non-financial annual performance targets, details of which are set out on page 62; and
- a Performance Share Plan for Executive Directors and members of the senior management team, details of which are set out on page 63.

There have been no changes in Non-Executive Director fees since 2016. To address this, and to ensure appropriate remuneration for the Executive Directors, the Company engaged KPMG to conduct a review of Non-Executive Director fees and Executive Director remuneration. The review concluded that an increase in Non-Executive Director fees and overall Executive Director remuneration was appropriate against relevant benchmarking. In light of this review, the Committee has approved an increase to Non-Executive Director fees, together with changes to the bonus for future reporting periods and overall remuneration of Executive Directors. See pages 62 and 63 for more details.

The Company has been transparent in reporting its fourth CEO pay ratio relative to its employees. See page 67 for details.

The Group operates in a competitive environment and sets out to provide competitive remuneration to all of its employees, appropriate to the business environment, geographical location and strategic aims of the Company.

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

Remuneration policy

Following changes to the Code, which take effect for financial periods commencing on or after 1 April 2024, the Committee has considered the introduction of a Remuneration Policy details of which are set out below. It is the Board's intention to present this policy, together with the associated remuneration report, for an advisory shareholder vote when the revised Code guidance becomes applicable to the Company.

Element	Link to strategy	Operation / how it's determined	Maximum opportunity / limitation	How it's linked to performance (business model)
Directors' salaries	Executive salaries take into account the responsibilities of the role and the necessary skills and experience required to fulfil the role as well as to retain and motivate key members of staff.	Basic salary is reviewed twice a year and benchmarked appropriately, taking into consideration individual scope and performance.	No greater than workforce average except in cases of: <ul style="list-style-type: none"> material increase in market rates; changes in role/ increased responsibility; or a reward for individual development. 	Expected performance is in line with salary reviews
Pension	To help recruit and retain high performing and experienced Executive Directors and provide competitive pensions.	Executive directors and senior leaders are entitled to make contributions in relation to the Group's pension scheme.	No maximum opportunity however statutory minimum pensions contributions are made in line with legislation and wider staff.	None
Benefits	To help recruit and retain high performing and experienced Executive Directors and provide competitive benefits.	Benefits aligned with those offered to all members of staff, with the exception of additional benefits towards specific products and services to encourage internal uptake and subsequent expertise. Executive directors and senior leaders are entitled to private health care.	No maximum opportunity	None
Bonus	To motivate performance and achieve the long-term goals of the Company	Performance based, weightings and targets set annually. Payments are made in April following the Remco's assessment against performance criteria.	See page 62 for details.	Performance targets include financial, non-financial and strategic objectives.
Long term incentive plan / share options	To incentivise and reward long-term performance and value creation. To align the interests of executive directors and senior leaders and shareholders in the long-term.	Executive directors and senior leaders may receive awards under the 2016 LTIP at the discretion of the Committee.	As set out in the Scheme Rules. See page 63 for details.	Awards are subject to performance conditions. Performance criteria may change from year to year.

Service agreements, notice periods and termination payments

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.

The remuneration of the Chair of and the Non-Executive Directors consists of fees that are paid monthly in arrears.

The Chair 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 during the period. Following the publication in August 2015 of HMRC's express confirmation of the travel rules that apply to Non- Executive Directors, the Company reimburses Non- Executive Directors' travel expenses between home and the Company's Head Office. The key terms of the Non-Executives Directors' appointments are set out below.

The fees paid to the Non-Executive Directors are determined by the Board. They are not entitled to receive any bonus or other benefits. Executive salaries are directly linked to achieving the Company's purpose and strategy and they were also benchmarked during the year against AIM company data and adjusted to reflect the growth of the Company.

Service agreements, notice periods and termination payments

Name	Position	Date of contract	Notice period	Annual Salary (£)
Executive Directors				
Nigel Pocklington	Chief Executive Officer	6 April 2021	6 months ³	287,000
Rupert Sanderson	Chief Financial Officer	8 January 2020	6 months ³	194,667
Fran Woodward	Chief Operating Officer	20 October 2023	6 months ³	47,500
Non-Executive Directors				
Will Whitehorn		26 July 2018 ⁴		50,000
Tim Jones		01 December 2017		31,667
Emma Tinker		02 September 2016		31,667
Nemone Wynn-Evans		01 January 2019		33,667

³ The notice period of the Executive Directors is 12 months in the event of a change of control of Good Energy Limited or the Company and additional bonus payments may be required.

⁴ Will Whitehorn's formal appointment to the Board took effect on 4 July 2018.

Salaries/Fees, annual bonus and benefits

Name	Salary/fee	Pension	Benefits in Kind	Annual Bonus	Total	Total
	2023 (£)	2023 (£)	2023 (£)	2023 (£)	2023 (£)	2022 (£)
Executive Directors						
Nigel Pocklington	287,000	28,158	1,983	146,250	463,391	320,387
Rupert Sanderson	194,667	19,647	3,356	69,375	286,865	217,550
Fran Woodward ⁵	47,500	7,125	-2,116 ⁵	n/a	52,509	n/a
Sub-total	529,167	54,930	3,223	215,625	802,765	537,937
Non-Executive Directors						
Will Whitehorn	50,661	-	-	-	50,661	46,418
Tim Jones	31,667	-	-	-	31,667	30,000
Emma Tinker	34,050	-	-	-	34,050	31,011
Nemone Wynn-Evans	34,186	-	-	-	34,186	32,813
Sub-total	150,564	-	-	-	150,564	185,588
Overall total	679,731	54,930	3,223	215,625	953,329	723,525

5. Pro-rata for the period of directorship. Fran Woodward joined the Board effective 20 October 2023. Fran Woodward contributes to salary sacrifice schemes. The total salary sacrifice is -£3,168, the total allowances are £1,052.

Annual bonus scheme

Operation of the scheme

No changes were made to the operation of the bonus scheme during this reporting period.

All bonuses under the bonus scheme are individually capped. In the reporting period, a maximum potential bonus of 75% for the CEO and 50% for the CFO and COOs' salary is payable in relation to the Company's performance against three key performance metrics. Following the KPMG review described on page 58, the Nomination and Remuneration Committee has agreed to increase the maximum potential bonus for the next reporting period to 100% for the CEO and 75% for the CFO and COO. The performance metrics and their relative weightings are shown in the table below.

Maximum bonus will only be payable in the event that all three of these performance metrics are met. Performance against the targets is measured against threshold and on-target targets. No bonus will be payable unless the Group's profit before tax meets the threshold targets unless the Nomination and Remuneration Committee, in its discretion, determines otherwise.

The Nomination and Remuneration Committee also retains discretion, under the bonus scheme rules, to adjust any payments in line with individual performance.

Individual performance targets are set annually and reviewed mid-year and at the end of the relevant financial year. Annual targets for each of the three Company performance metrics will be set by the Nomination and Remuneration Committee.

The Group considers that the targets for 2024 are commercially sensitive and are not therefore disclosed. However, retrospective disclosure of targets for the year ending 31 December 2023 is provided in the table below.

Measure	Strategic objective	Weighting
Group profit before tax	Deliver profit growth	60%
Propositions	Focus on new tariffs and products	20%
TrustPilot rating	Maintain customer satisfaction ratings	20%

2023 targets and performance

The Group's performance against targets and actual outturn for the financial year ended 31 December 2023 are set out in the table below.

Measure	2023 outturn	2023 performance against target
Group profit before tax	£5.7m	On target
Propositions	60,000 FIT customers transitioned to smart export	Threshold
Trustpilot rating	4.7 rating (5 stars)	On target

Performance share plan (“PSP”)

Operation of the scheme

The PSP was introduced to provide a long-term incentive to Executive Directors and any eligible employee, and has been designed to align participants and directors during the three year period of each award to encourage long-term, sustainable profit growth for the benefit of all stakeholders. The PSP was implemented during 2016 following advice from external remuneration consultants and in consultation with the Company’s ten largest shareholders. In 2021, the plan was reviewed, updated and approved for options granted under the scheme going forwards.

The PSP is a deferred share award, which normally vests three years from the date of grant, subject to eligible employees remaining employed by the Company at this date. It is issued at a maximum 15% discount to the share price on the date of grant.

The maximum limit of an award to any individual under the PSP in any financial year would be 100% of annual salary, subject to the Nomination and Remuneration Committee’s discretion to increase to 150% of annual salary in exceptional circumstances. In view of the exceptional contribution that will be required from the executive directors in order to deliver the Company’s transformational strategy in the coming years, an exceptional award of 150% of annual salary was made in June 2023.

The Nomination and Remuneration Committee may, at any time up to and including vesting, reduce the vesting level of awards where there has been, amongst other things, a material misstatement in the accounts, an error in any information on which performance targets were based, gross misconduct or fraud by the employee.

The Nomination and Remuneration Committee authorised an extension to share options that were due to lapse in the year in line with the Scheme Rules. Further details of this extension are set out on the next page.

No options vested or were exercised by Executive Directors in 2023.

Performance targets

The performance metrics and their relative weightings for the 2023 grant of awards are shown in the table on the previous page, reflecting the company-wide annual bonus targets. The Group considers the targets themselves to be commercially sensitive and these are not therefore disclosed. However, retrospective disclosure of performance against targets will be provided at the end of the relevant measurement period.

Directors' share options

Details of the Directors' share options outstanding at 31 December 2023 are shown below.

Name	Date option granted	Number of options outstanding as at 31 December 2023	Option price	Exercised during period	Gain on options exercised	Cancelled/ surrendered during period
Nigel Pocklington	22/10/2021	88,136	£2.51	-	-	-
	11/04/2022	97,159	£2.27	-	-	-
	23/06/2023	274,832	£1.49	-	-	-
Sub-total		460,164		-	-	-
Rupert Sanderson	19/04/2021	39,306 ⁶	£1.78	-	-	-
	22/10/2021	55,763	£2.51	-	-	-
	11/04/2022	69,159	£2.27	-	-	-
	23/06/2023	186,241	£1.49	-	-	-
Sub-total		350,469	-	-	-	-
Fran Woodward	07/07/2015	50,000	£2.25	-	-	-
	19/04/2021	35,503 ⁶	£1.78	-	-	-
	22/10/2021	50,932	£2.51	-	-	-
	11/04/2022	56,168	£2.27	-	-	-
	23/06/2023	166,107	£1.49	-	-	-
Sub-total		358,710	-	-	-	-
Total		1,169,343	-	-	-	-

6. The Committee has twice agreed to extend the exercise period in respect of the options awarded on 19 April 2021, which vested on 30 June 2022. The exercise period would otherwise have expired on 30 June 2023 and 31 December 2023. This extension was agreed upon because the option holders were in possession of market sensitive information (due to the acquisition of solar installation companies in furtherance of Good Energy's strategy) and were therefore unable to exercise the option prior to the lapse date.

Statutory and other information

General company information

Good Energy Group PLC is a public limited company incorporated in England and Wales. The Company's registered office and principal place of business is: Monkton Park Offices, Monkton Park, Chippenham, Wiltshire, SN15 1GH and the registered number is 04000623.

Share capital

On 31 December 2023, 16,882,002 ordinary shares of 5p each were in issue. On 12 February 2024 the Company announced the allotment of 1,322,000 new ordinary shares, meaning that as at the date of this report 18,216,130 ordinary shares of 5p each were in issue.

The Company is listed on the AIM of the London Stock Exchange. Its shares were quoted on the Aquis Exchange (formally NEX Growth Market) until 31 March 2023.

Significant shareholders

At 31 December 2023, the following shareholders had notified an interest exceeding 3% of the issued ordinary share capital of the Company (excluding Directors and their respective families as defined in the AIM rules, details of which are set out on the next page):

Shareholder	Number of shares	%
Ecotricity Group Limited	4,740,091	28.1%
Martin Edwards & family	1,423,315	8.5%
Hargreaves Lansdown plc	1,139,194	6.8%

Share class rights

Ordinary shares

The full share class rights are set out in the Company's Articles of Association which are available to view at goodenergy.co.uk/investors and at Companies House and summarised below:

In summary, each member has one vote for each ordinary share held. Holders of ordinary shares are entitled to: receive the Company's Annual Report and Accounts; attend and speak at general meetings of the Company; appoint one or more proxies or, if they are corporations, corporate representatives; and exercise voting rights. Holders of ordinary shares may receive a dividend in cash or ordinary shares under the Company's scrip dividend scheme and on liquidation may share in the assets of the Company.

Shareholder agreements and consent requirements

There are no known arrangements under which financial rights carried by any of the shares in the Company are held by a person other than the holder of the shares and no known agreements between the holders of shares with restrictions on the transfer of shares or exercise of voting rights.

Authority to issue shares

At the AGM in 2023, authority was proposed to allot new ordinary shares up to a nominal value of £280,720, equivalent to one-third of the issued share capital of the Company at that time. The Directors also proposed to allot up to two thirds of the total issued share capital of the Company, but only in the case of a rights issue.

These authorities are valid until the AGM in 2024, and the Directors propose to renew this authority at the AGM. The Board believes this authority will allow the Company to retain flexibility to respond to circumstances and opportunities as they arise.

Please see events after the balance sheet on page 68 with regards to new shares issued.

Deadlines for exercising voting rights

Electronic and paper proxy appointments, and voting instructions, must be received by the company's Registrar not less than 48 hours before a general meeting.

Dividends

Alongside our ongoing investments, we aim to deliver a dividend where appropriate, as part of our growth strategy and revised capital allocation policy. The policy has the objective of investing both organically and inorganically across the business and paying a dividend when appropriate to provide an overall return to shareholders. We remain mindful of maintaining and balancing the ability to invest in long term growth opportunities.

Following a good operational performance in 2023 and reflecting our confidence in the ongoing business, the Board recommend a final dividend for 2023 of 2.25p per ordinary share, taking our full year dividend to 3.25p.

Good Energy continue to operate a scrip dividend scheme and the payment timetable of the final dividend will be announced alongside the notice of Annual General Meeting in Q2 2024.

Directors

The names of the Directors that held office during the financial year are Nigel Pocklington, Rupert Sanderson, Fran Woodward, Will Whitehorn, Emma Tinker, Tim Jones and Nemone Wynn Evans. Full details and biographies are set out on pages 38-41.

Directors' interests and their interests in the Company's shares⁷

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 Good Energy Group plc are:

	No. shares as at 31 December 2023	%age of issued share capital	No. shares as at 31 December 2022	%age of issued share capital
Current Directors				
Nigel Pocklington	10,500	0.06	7,500	0.04
Rupert Sanderson	19,004	0.11	19,004	0.11
Fran Woodward	0	0	n/a	n/a
Will Whitehorn	52,000	0.31	52,000	0.31
Tim Jones	9,489	0.06	9,489	0.06
Emma Tinker	1,605	0.01	1,579	0.01
Nemone Wynn-Evans	9,500	0.06	9,500	0.06

Financial instruments

The Group's financial instruments include bank loans and other borrowings, a corporate bond and overdraft.

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 note 2.11 in the Financial Statements.

Political Donations

No political donations were made in the year.

Impact on the environment

S The Company is committed to reducing its environmental impact and the carbon emissions from its operations. ISO14001 accreditation was achieved during 2017, providing independent confirmation that that Good Energy Group meets international standards for measuring and continually improving environmental performance. ISO14001 is due to be extended to capture the acquisitions of Igloo, Wessex and JPS in due course. The Company regularly measures its Scope 1 and Scope 2 emissions and as many indirect Scope 3 emissions as possible. Where it is not yet possible to avoid or eliminate emissions, these are neutralised through international carbon reduction projects. 2023 is our third year reporting

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on our current approach and our journey towards meeting the TCFD recommendations.

More details about our environmental impact can be found in the strategic report on pages 19-23.

More information about our approach to the TCFD reporting framework are on pages 14-15.

Gender Pay

The Board welcomed the introduction in 2017 of Gender Pay gap reporting. In 2023, the Group's mean gender pay gap is 19.8%. This gap is due to there currently being more men than women at senior leader level.

The Group's full Gender Pay Report, which also details the actions initiated by the Board to close the Group's gender pay gap, is published on its website goodenergy.co.uk/reports-and-policies.

7. Certain Directors hold share options as detailed on page 64 within the Nomination and Remuneration Report.

CEO pay ratio

Good Energy have voluntarily chosen to disclose CEO pay ratio with employee pay.

Year ⁸	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2023	18:1	14:1	9:1
2022	12:1	9:1	6:1

The table compares the total figure of remuneration for the Chief Executive Officer with Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile). 2023 is the fourth year we have reported CEO pay ratio, taking CEO pay as at 31 December 2023.

Although Good Energy are not required to report CEO pay ratio at present, we have voluntarily chosen to disclose requirements under the Government's methodology of 'Option A'. All individuals employed at 31 December 2023 have been included in the calculation, and where applicable, remuneration has been annualised for employees not employed on a full time basis and/or for the twelve months reported on.

The total remuneration for full-time equivalent employees includes (but is not restricted to):

- annual salary and allowances
- annual bonus
- employer's pension contributions

Average annual salary (£)	CEO	25 th percentile	Median	75 th percentile
Salary	287,000	25,000	30,923	44,024
Total pay and benefits	463,391	26,000	33,469	48,912

The table shows the salary and total pay amounts for 2023. Quartile groups of employees are displayed using the median values at the 25th, 50th and 75th percentiles providing a fair representation rather than basing it on individual employees, to minimise the influence of anomalies.

8. The CEO pay ratio for 2020 and 2021 is available in the 2022 Annual Report.

Modern Slavery

Although the Group considers the inherent risk of encountering issues of modern slavery within its business, supply chains and strategic affiliations to be low, it is nonetheless an issue that the Group and the Board takes very seriously. Since the acquisition of Igloo Works Limited in December 2022 and Wessex ECOEnergy in June 2023, the Group has an additional interest to maintain and manage the subsidiary's supply chains. Whilst the subsidiaries do not meet Modern Slavery reporting thresholds, the Group intends to consider any risks, including modern slavery, that may apply in respect of the subsidiary's supply chain. The Group's full statement under section 54 of the Modern Slavery Act 2015 for the period ended 31 December 2023 is published on its website goodenergy.co.uk/modern-slavery-act.

Related Party Transactions

Related party transactions are set out in note 31 in the Financial statements.

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 they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given, and should be interpreted, in accordance with the provisions of Section 418 of the Companies Act 2006.

Events after the balance sheet

A final dividend of 2.25p per share (2022: 2.0p) was proposed on 19 March 2024, subject to shareholder approval at the Group's AGM.

On 12 February 2024, Good Energy Group PLC acquired the entire issued share capital of JPS Renewable Energy Ltd, a specialist solar and storage installation and distribution business, and its wholly owned subsidiary, Trust Solar Wholesale Ltd, a standalone distribution and procurement business, for an initial consideration of £7m.

The initial consideration was satisfied by a cash payment on completion and through the allotment of 1,322,000 new ordinary shares in Good Energy Group PLC. A proportion of the consideration shares have been placed on behalf of JPS Group's selling shareholders via a vendor placing of 842,000 consideration shares at a price of 250 pence per placing share raising proceeds of approximately £2.1m for the vendors.

Approved by the Board of Directors



Nigel Pocklington

Chief Executive Officer
26 April 2024



Statement of Directors' responsibilities in respect of the annual report and the financial statements



Will Whitehorn

Chair

“ The Directors submit their Annual Report and Accounts for Good Energy Group plc for the year ended 31 December 2023 ”

The Directors submit their Annual Report and Financial Statements (Annual Report and Accounts) for Good Energy Group plc for the year ended 31 December 2023. The directors' report required under the Companies Act 2006 comprises this Governance & Directors' Report and the Nomination & Remuneration Report.

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 as detailed in the Strategic Report. This requirement includes an analysis of the development and performance of the Group'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 are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation, including company law which requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group and parent company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK adopted International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006 have been followed for the Group financial statements and IFRSs have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors have prepared the Group financial statements and parent company financial statements in accordance with UK adopted IFRSs in conformity with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company. These records must also enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Directors are also responsible for the system of internal controls, for safeguarding the assets of the Group and parent company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors of the ultimate parent company are responsible for the maintenance and integrity of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and parent company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance & Directors report confirm that, to the best of their knowledge:

- the parent company financial statements, which have been prepared in accordance with IFRSs, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Group's consolidated financial statements, which have been prepared in accordance with IFRSs give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Governance Report is approved:

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

The Annual Report and Accounts, including the Strategic Report, Governance & Directors' Report, Remuneration Report and Financial Statements, have been prepared and approved by the Board and are published in accordance with, and with reliance on, applicable English company law. The

liabilities of Directors in relation to the Annual Report and Accounts are subject to the limitations and restrictions provided by such law.



Will Whitehorn

Chair

On behalf of the Board

26 April 2024



Independent auditor's report to the members of Good Energy Group Plc

Opinion

We have audited the financial statements of Good Energy Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Parent Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Parent Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Parent Company Statement of Cash Flows and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Evaluating the directors' method to assess the group's and the parent company's ability to continue as a going concern;
- Obtaining and reviewing the directors' going concern assessment, which incorporated severe but plausible scenarios, based on OFGEM stress testing and as submitted to and reviewed by OFGEM;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern, including hedging position, derogation from the OFGEM price cap; forecasted gas and electricity prices; level of bank support available and likely future repayment rates of the bond in the going concern assessment period; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements which details the results of the OFGEM stress testing.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The matters set out below are in addition to going concern which, as set out in the "Conclusions relating to going concern" section above, was also identified as a key audit matter.

Key Audit Matter	How our scope addressed this matter
<p>Revenue recognition, specifically the estimated unbilled income</p> <p>The group's accounting policy in respect of revenue recognition is set out in the note 2.4, with the related critical accounting judgements and estimates detailed in notes 4.1.1 and 4.2.1 respectively.</p> <p>The group's primary revenue streams relate to the provision of gas and electricity supply, of which a significant proportion is unbilled income at the year-end based upon an estimation of the amount of unbilled charges at the year end, being £22.6m in 2023 compared to £42.9m in 2022.</p> <p>The unbilled income is calculated using system-generated information based on industry expected usage per property, customer tariffs and seasonality variations. The approach and methodology remains largely consistent with the prior year.</p> <p>For commercial customers the amounts are calculated using industry accepted norms from the software provider with no management over-ride or assumptions included.</p> <p>For domestic customers there is an internally developed IT report which calculates the unbilled income based on management assumptions around seasonality and, where information is not available for a small number of customers, estimates of the tariff and usages.</p> <p>Due to the valuation of the unbilled income being an estimation there is a high risk of management bias.</p>	<p>Our response</p> <p>Our procedures over revenue recognition, in particular around the valuation of unbilled income, included, but were not limited to:</p> <ul style="list-style-type: none">• Obtaining an understanding of the processes and controls over the recognition of revenue, performing walkthrough procedures and considering the design and implementation of the controls;• Performing IT general and application controls work around the commercial billing system;• Confirming that revenue is being recognised in the correct period by recalculating for a sample of customers, across both domestic and commercial, the unbilled income based on the last billed date and expected usage up until the year-end;• Verifying that the tariff inputs used in the unbilled income and revenue calculations are correct and agree back to approved Good Energy tariffs;• Comparing a sample of unbilled income balances to bills raised post year-end where there were actual meter readings to check the accuracy of the estimated usage and revenue recorded in relation to this;• Where meter readings are not available post year-end, we agreed to the latest estimated annual consumption (EAC) as provided by the industry and challenged any unusual differences after having taken into consideration the weather co-efficient assumptions applied by management. <p>Our observations</p> <p>Our work performed in relation to the unbilled income reports confirmed that the calculation of the year end unbilled income is appropriately performed. Based on substantive testing of post year end invoices no material issues were noted in respect of the valuation of the unbilled income at the year end.</p>

Key Audit Matter

How our scope addressed this matter

Expected Credit Losses (ECL)

Expected credit losses are disclosed in Financial and Capital Risk Management note 3.1.3, Critical Accounting Judgements and Estimates note 4.2.2 and Trade and Other Receivables note 19 of the Financial Statements.

There is an ECL provision of £18.9m (2022: £15.4m) at the year-end against gross trade and unbilled receivables from customers of £49.2m (2022: £69m).

The simplified approach to ECL under IFRS 9 was calculated using a provision matrix to compute the ECL for trade receivables and unbilled revenue. Management's judgement is used to determine the future likely recovery rates based on days past due for groupings of various customer segments that have similar loss patterns and the Group's historic observed default rates, calibrated to adjust the historic credit loss experience with forward-looking information.

The ECL provision is sensitive to changes in circumstances and of forecasted economic conditions. Therefore, there is high estimation uncertainty and the actual credit losses may vary greatly from expected due to unforeseen circumstances.

There is a risk that the assumptions used by management in calculating the ECL provision may be susceptible to management bias and the valuation of ECL amounts against trade receivables and unbilled income may be misstated.

Our response

Our response over ECL included, but was not limited to:

- Obtaining an understanding of the processes and controls over the ECL calculation;
- Obtaining management's calculation of the ECL provision and testing the mathematical accuracy of the provisioning method as well as testing the accuracy of the analysis of debt collection rates being used to verify they were appropriate.
- Testing the ageing of trade debtors by recalculating a sample of individual balances.
- Reviewing and challenging the key assumptions used by management around collection rates, segmentation and the appropriateness of overlays within the ECL model to take into account the economic outlook for 2024 and other factors;
- Performing sensitivity analysis on the impact of changes to the assumptions made on the ECL provision.
- Performing analysis of the year-end debt balance collection rates to determine if there have been any unexpected movements post year-end that are not in line with the provision rates used.

Our observations

Having assessed management's judgements, the integrity of data driving the calculations and performing sensitivity analysis we conclude that the ECL provision is appropriate.

We are satisfied that the disclosure in the financial statements fairly reflects the approach and assumptions used.

Key Audit Matter

How our scope addressed this matter

Impairment consideration around the Zapmap associate investment valuation

The accounting treatment and fair value considerations of the Zapmap associate are disclosed in note 3.3 and in accounting policy 2.9.

The value of Zapmap associate included within the consolidated accounts is £10.5m being the opening balance of £12.5m less Good Energy's £2m share of losses for the year. The equity investment in associate is disclosed in Note 17 of the Financial Statements.

Given the nature of the investment, there is risk that the investment is impaired due to changes in Zapmap's strategy, performance and economic/political environment.

Our response over impairment risk included, but was not limited to:

- Performing specific procedures over the share of loss recognised by the group by reviewing the budgets of Zapmap and completing substantive analytical review over costs recognised in the year by the associate;
- Obtaining a valuation report from management's expert and engaging Mazars internal valuations team to perform procedures over the report including the underlying methodology;
- Consideration of whether Zapmap Limited have met their key commercial objectives for their year via meetings with key contacts;
- Reviewed the disclosure in the financial statements with respect to the investment in associate.

Our observations

Having challenged management's judgement over the Zapmap valuation, we are satisfied that there is no indication of impairment at the year end date.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality	£2.5m
How we determined it	1% of revenue
Rationale for benchmark applied	In our view, the above measure is the most relevant measure of the underlying performance of the company as earnings have remained volatile and margin low and therefore, revenue has been selected as the materiality benchmark in line with the prior year.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £1.5m which represents 60% of overall materiality. This was set at the bottom of the range and increased to 60% to represent this is not a first year audit.

Overall materiality £2.5m

Reporting threshold We agreed with the directors that we would report to them misstatements identified during our audit above £0.07m as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Parent company materiality**Overall materiality** £0.3m

How we determined it 2% of net assets

Rationale for benchmark applied Net assets is deemed the most appropriate measure given the parent company is an investment holding company with no revenue.

Performance materiality Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We set performance materiality at £0.2m which represents 60% of overall materiality. This was set at the bottom of the range and increased to 60% to represent this is not a first year audit.

Reporting threshold We agreed with the directors that we would report to them misstatements identified during our audit above £0.01m as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, Good Energy Limited and Good Energy Gas Limited, including the parent company, were subject to full scope audit by the group audit team. The above accounted for 99% of the group's total revenue. The remaining entities, with the exception of Zapmap Limited which was subject to specified audit procedures, were subject to review procedures carried out by the group audit team.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on pages 70–71, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with Ofgem regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the group and the parent company, the industry in which they operate, and the structure of the group, and considering the risk of acts by the group and the parent company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of directors, management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

- Inspecting correspondence, with relevant licensing or regulatory authorities, including Ofgem;
- Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to provision for expected credit losses, impairment considerations around the associate investment, revenue recognition (which we pinpointed to the valuation of unbilled income), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

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

Use of the audit report

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



Jonathan Barnard
(Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria St

Bristol

BS1 6DP

26 April 2024

Financial Statements

Consolidated Statement of Comprehensive Income	81
Consolidated Statement of Financial Position	82
Parent Company Statement of Financial Position	84
Consolidated Statement of Changes in Equity	86
Parent Company Statement of Changes in Equity	88
Consolidated Statement of Cash Flows	89
Parent Company Statement of Cash Flows	90
Notes to the Financial Statements	91

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023	2022
		£000's	£000's
Revenue	5	254,703	248,682
Cost of sales	5	(210,458)	(218,768)
Gross profit		44,245	29,914
Administrative expenses	6	(37,282)	(28,109)
Other operating income	5	171	66
Operating profit	5	7,134	1,871
Finance income	9	897	633
Finance costs	10	(321)	(351)
Gain arising on loss of control of subsidiary	17	-	7,767
Share of loss of associate	17	(2,027)	(712)
Profit before tax	5	5,683	9,208
Taxation charge	11	(2,807)	(637)
Profit for the year from continuing operations		2,876	8,571
Profit from discontinued operations, before tax		-	64
Profit and total comprehensive income for the year attributable to owners of the parent company		2,876	8,635
Attributable to: Good Energy Group PLC		2,876	9,227
Attributable to: Non-controlling Interests		-	(592)
Earnings per share			
Basic	12	17.1p	55.7p
Diluted	12	17.0p	55.6p
Earnings per share (continuing operations)			
Basic	12	17.1p	51.7p
Diluted	12	17.0p	51.7p

The notes on pages 91 to 144 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

Good Energy Group plc
Company registered no: 04000623

	Note	2023	2022
		£000's	£000's
Non-current assets			
Property, plant and equipment	13	180	117
Right of use assets	14	1,227	324
Intangible assets	15	5,694	3,503
Deferred tax asset	22	131	162
Equity investments in associate	17	10,551	12,578
Total non-current assets		17,783	16,684
Current assets			
Inventories	18	11,026	9,212
Trade and other receivables	19	35,858	57,497
Restricted deposit accounts	3	5,912	8,462
Cash at bank and in hand	20	41,346	24,487
Total current assets		94,142	99,658
TOTAL ASSETS		111,925	116,342
Equity and liabilities			
Capital and reserves			
Called up share capital	21	845	844
Share premium account	21	12,975	12,915
Employee Benefit Trust shares		-	(7)
Retained earnings		28,185	25,234
Total equity		42,005	38,986
Non-current liabilities			
Borrowings and other financial liabilities	23	5,687	4,927
Total non-current liabilities		5,687	4,927
Current liabilities			
Borrowings and other financial liabilities	23	531	294
Trade and other payables	25	63,702	72,135
Total current liabilities		64,233	72,429

Consolidated Statement of Financial Position (continued)

As at 31 December 2023

Good Energy Group plc
Company registered no: 04000623

Total liabilities	69,920	77,356
TOTAL EQUITY AND LIABILITIES	111,925	116,342

The financial statements on pages 81 to 90 were approved by the Board of Directors on 26 April 2024 and signed on its behalf by:



Nigel Pocklington

Chief Executive
26 April 2024

The notes on pages 91 to 144 form part of these financial statements.

Parent Company Statement of Financial Position

As at 31 December 2023

Good Energy Group plc
Company registered no: 04000623

	Note	2023	2022
		£000's	£000's
Non-current assets			
Deferred taxation		306	111
Shares in group undertakings	16	12,814	10,260
Total non-current assets		13,120	10,371
Current assets			
Trade and other receivables	19	6,423	5,224
Cash at bank and in hand	20	1,373	4,021
Total current assets		7,796	9,245
TOTAL ASSETS		20,916	19,616
Equity and Liabilities			
Capital and reserves			
Share capital	21	845	844
Share premium account	21	12,975	12,915
Employee Benefit Trust shares		-	(7)
Retained Earnings		824	527
Total Equity		14,644	14,279

Parent Company Statement of Financial Position (continued)

As at 31 December 2023

Good Energy Group plc
Company registered no: 04000623

Non-current liabilities			
Borrowings	23	4,726	4,922
Total non-current liabilities		4,726	4,922
Current liabilities			
Borrowings and other financial liabilities	23	215	10
Trade and other payables	25	1,331	405
Total current liabilities		1,546	415
Total liabilities		6,272	5,337
TOTAL EQUITY AND LIABILITIES		20,916	19,616

The Parent Company's profit for the financial year was £222,000 (2022: loss of £3,289,000). The financial statements on pages 81 to 90 were approved by the Board of Directors on 26 April 2024 and signed on its behalf by:



Nigel Pocklington

Chief Executive
26 April 2024

The notes on pages 91 to 144 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Share capital	Share premium account	EBT shares	Retained earnings	Revaluation surplus	Total equity attributable to members of the Parent Company	Non-controlling interest	Total equity
		£000's	£000's	£000's	£000's	£000's	£'000's	£000's	£000's
At 1 January 2022		840	12,790	(444)	4,773	11,693	29,652	(325)	29,327
Profit for the year		-	-	-	9,227	-	9,227	(592)	8,635
Total comprehensive income for the year		-	-	-	9,227	-	9,227	(592)	8,635
Share based Payments	28	-	-	-	198	-	198	-	198
Dividend paid	26	-	-	-	(297)	-	(297)	-	(297)
Scrip dividends issued	26	3	125	-	(128)	-	-	-	-
Disposal of subsidiary		-	-	-	-	-	-	917	917
Exercise of options	28	1	-	437	(232)	-	206	-	206
Transfer of revaluation to retained earnings		-	-	-	11,693	(11,693)	-	-	-
Total contributions by and distributions to owners of the parent, recognised directly in equity		4	125	437	11,234	(11,693)	107	917	1,024
At 31 December 2022		844	12,915	(7)	25,234	-	38,986	-	38,986

The notes on pages 91 to 144 form part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2023

	Note	Share capital	Share premium account	EBT shares	Retained earnings	Total equity
		£000's	£000's	£000's	£000's	£000's
At 1 January 2023		844	12,915	(7)	25,234	38,986
Profit for the year		-	-	-	2,876	2,876
Total comprehensive income for the year		-	-	-	2,876	2,876
Share based payments	28	-	-	-	341	341
Deferred tax movement charged to equity	22	-	-	-	239	239
Dividend paid	26	-	-	-	(444)	(444)
Scrip dividends issued	26	1	60	-	(61)	-
Exercise of options	28	-	-	7	-	7
Total contributions by and distributions to owners of the parent, recognised directly in equity		1	60	7	75	143
At 31 December 2023		845	12,975	-	28,185	42,005

The notes on pages 91 to 144 form part of these financial statements.

Parent Company Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Share capital	Share premium account	EBT shares	Retained earnings	Total equity
		£000's	£000's	£000's	£000's	£000's
At 1 January 2022		840	12,790	(444)	4,275	17,461
Profit for the year and total comprehensive income		-	-	-	(3,289)	(3,289)
Share based payments	28	-	-	-	198	198
Scrip dividends issued	26	3	125	-	(128)	-
Exercise of options	28	1	-	437	(232)	206
Dividend paid	26	-	-	-	(297)	(297)
Total contributions by and distributions to owners of the parent, recognised directly in equity		4	125	437	(459)	107
At 31 December 2022		844	12,915	(7)	527	14,279
At 1 January 2023		844	12,915	(7)	527	14,279
Profit for the year and total comprehensive income		-	-	-	222	222
Share based payments	28	-	-	-	341	341
Exercise of options	28	-	-	7	-	7
Deferred tax movement charged to equity	22	-	-	-	239	239
Scrip dividends issued	26	1	60	-	(61)	-
Dividend paid	26	-	-	-	(444)	(444)
Total contributions by and distributions to owners of the parent, recognised directly in equity		1	60	7	75	143
At 31 December 2023		845	12,975	-	824	14,644

The notes on pages 91 to 144 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023	2022
		£000's	£000's
Cash flows from operating activities			
Cash generated from operations	27	20,634	5,180
Finance income received		434	17
Finance costs paid		(189)	(70)
Corporation tax paid		(550)	-
Net cash flows generated from operating activities		20,329	5,127
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(168)	(9)
Purchase of intangible fixed assets	15	(12)	(125)
Investment in associate		-	(3,494)
Proceeds from disposal of held for sale assets		-	20,351
Acquisition of subsidiary, net of cash held in the subsidiary		(2,204)	(1,725)
Net cash flows (used in)/generated from investing activities		(2,384)	14,998
Cash flows from financing activities			
Payment of dividends	26	(444)	(297)
Repayment of borrowings	24	(180)	(1,619)
Proceeds from borrowings	24	134	-
Capital repayment of leases		(646)	(626)
Proceeds from EBT shares		50	-
Proceeds from exercise of share options		-	205
Net cash flows used in financing activities		(1,086)	(2,337)
Net increase in cash and cash equivalents		16,859	17,788
Cash and cash equivalents at beginning of year		24,487	6,699
Cash and cash equivalents at end of year		41,346	24,487

The notes on pages 91 to 144 form part of these financial statements.

Parent Company Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023	2022
		£000's	£000's
Cash flows from operating activities			
Cash generated from/(used in) operations	27	496	(8,776)
Finance income received		15	-
Finance costs paid		(170)	(49)
Net cash flows generated from/(used in) operating activities		341	(8,825)
Cash flows from investing activities			
Investment in subsidiaries	16	(2,554)	(1,750)
Proceeds from disposal of held for sale assets		-	20,351
Equity investment in associate	17	-	(3,494)
Cash dividend received		-	-
Net cash flows (used in)/generated from investing activities		(2,554)	15,107
Cash flows from financing activities			
Proceeds from the exercise of share options		50	1
Proceeds from issue of shares		-	205
Payment of dividends	26	(444)	(297)
Repayment of borrowings		(41)	(2,666)
Net cash used in financing activities		(435)	(2,757)
Net decrease in cash and cash equivalents		(2,648)	3,525
Cash and cash equivalents at beginning of year		4,021	496
Cash and cash equivalents at end of year		1,373	4,021

The notes on pages 91 to 144 form part of these financial statements.

Notes to the Financial Statements

1. General Information

Good Energy Group PLC ("the Company") is listed on the Alternative Investment Market of the London Stock Exchange, is incorporated in England and Wales and domiciled in the United Kingdom. The Group's shares are publicly traded. The registered office is located at Good Energy, Monkton Park Offices, Monkton Park, Chippenham, Wiltshire, United Kingdom, SN15 1GH.

The ultimate parent of the Group is Good Energy Group PLC. There is no ultimate controlling party of the Group.

The principal activities of Good Energy Group PLC are those of a holding and management company to the Group.

The principal activities of its subsidiaries include the purchase and sale of electricity from renewable sources, as well as the sale of gas and services relating to micro-renewable generation, solar and heat pump installation services and the sale of EV market data services.

The purpose of the Annual Report and Financial Statements is to provide information to members of the Company and its subsidiaries (together "the Group"). 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, which is the functional currency and presentational currency of the Group, as this is the currency of the primary environment in which the Group operates. All values are rounded to the nearest thousand (£000), except where otherwise indicated.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 April 2024. The directors have the power to amend and reissue the financial statements.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS) 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 through profit or loss.

The preparation of financial statements in conformity with IFRS 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 in the following accounting policy notes: revenue recognition (2.4), property, plant and equipment (2.5), leases (2.6), inventories (2.10) and credit risk (3.1.3).

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 profit or loss for the year (after taxation) is disclosed at the foot of the Parent Company Statement of Financial Position.

The accounting policies adopted, other than as documented above, are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those financial statements.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis as the Directors have assessed that there is a reasonable expectation that the Group will be able to continue in operation and meet its commitments as they fall due over the going concern period. The going concern assessment covers a period of at least 12 months from the date of approval of the financial statements.

The Group has had a strong financial performance in 2023 despite significant pressure from commodity markets and has continued its strategic growth into Energy services.

The unrestricted cash balance at the end of 2023 stood at £41.3m, giving the business a strong and stable base to deliver on businesses commitments and to deliver its strategic objectives.

Looking to the future, the Group has performed a going concern review, going out until the end of 2025, considering both a base case, and various externally provided scenarios. The scenarios were provided by Ofgem in late 2023 as part of their review into the financial stability of UK Energy suppliers. Having reviewed this forecast, the business can demonstrate that it can meet all tested scenarios with sufficient cash reserves in place to support further unexpected challenges.

The scenarios are price-based impacts reflecting the volatility in the wholesale and supply market seen over the past couple of years. All scenarios include existing hedge positions for Good Energy (Dec23). All scenarios assume domestic customer churn continues at minimal levels as seen in the supply industry over the past 2 years. This low level of churn is expected to remain until wholesale prices stabilise and suppliers feel confident in pricing below the current prices set by Ofgem. The scenarios assume no Government support schemes are in place. The scenarios are:

1. Scenario 1 – Central Price
2. Scenario 2 – Low Price
3. Scenario 3 – High Price
4. Scenario 4 – Supplier Base Case

From a tariff perspective all scenarios reflect the movement in default/deemed price capped tariffs directly linked to wholesale cost developments. These deemed and default price movements were provided by Ofgem to ensure these key assumptions mirrored the wholesale cost scenarios. As Good Energy has derogation from the price cap, it is allowed to change the level of its SVT tariff to reflect the true cost of supplying renewable energy. This derogation allows Good Energy to change price sooner than changes to default/deemed tariff changes, allowing us to match more effectively between cash in and cash out of the business.

In all scenarios cashflow remains sufficient to meet all commitments as they fall due without additional mitigations being implemented or a need for additional funding sources to be found. Further to this, in all scenarios the business could deliver additional mitigations which could include discretionary cost reductions, additional price increases as well as working capital optimisation to further strengthen the cash position to cover unexpected shocks.

Other impacts not included in the modelling include low wind output levels in a year. The company hedges to seasonal normal levels of wind, solar and temperature. In 2021 there was a year of significantly lower wind than seasonally normal which had a materially negative financial impact on the business. However, the business has not modelled this as a going concern scenario for two reasons. The first is modelling to seasonal norms will work over a longer-term basis, and secondly, we have taken significant steps to mitigate the impacts of low wind within our portfolio and thus feel the scenario is already addressed.

All scenarios prudently reflect the repayment of £5m of bond debt in 2024/25, however formal redemptions mean only £0.2m is officially due for repayment in 2024. Excluding bond debt, the business has no other material (£1m+) debt repayments due in the next 18 months. The business has also taken a prudent approach to customer credit balances with significant reductions forecast over 2024/25 before holding the remaining balance stable.

Therefore, Directors are confident in the ongoing stability of the Group, and its ability to continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors adopt the going concern basis in preparing the financial statements.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.4 Revenue recognition

The Group is in the business of providing supplies of electricity and gas, the generation of power, the sale of advertising space and EV market data, as well as Feed-in-Tariff (FiT) administration services. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the FiT administration services below, because it typically controls the goods or services before transferring to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 4.1.1.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract. The Group recognises contract liabilities when customers are in a credit position.

2.4.1 Power supply

Revenue for the supply of electricity is accrued based on industry data flows and National Grid data. Revenue calculated from energy sales includes an estimate of the quantity in units of electricity or gas supplied to customers by profile class in the 12 months preceding the end of the period, and an estimate of the average sales price per unit, and standing charge.

1% of the total revenue figure is estimated, with a fixed transaction price and estimated unit consumption. The estimate is made using historical consumption patterns, industry estimated consumption rates, and takes into consideration industry reconciliation processes, upon which the Group takes a prudent position until final reconciliation data is available from the industry 14 months after the supply date.

Unbilled revenue is superseded when customer meter reads are received; at which point estimates are adjusted to actual usage. Transaction price is explicitly stated per unit and per day. Unbilled revenue is estimated using the most likely outcome approach.

For gas, revenue is accrued based on information received from the Group's gas shipper, Barrow Shipping Limited, 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. Transaction price is explicitly stated per unit and per day.

Revenue is recognised over time as the electricity or gas is delivered to the customer. The transaction price is clearly stated, there are no separate performance obligations to which a portion of the transaction price needs to be allocated, and there is no variable consideration. Discounts are given to 100% of customers who meet certain criteria, and a provision is built up monthly to account for these, offsetting against revenue over time as the discount is incurred, which is in line with IFRS 15 Revenue from Contracts with Customers.

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. No refunds, returns or warranties are applicable.

Power supply revenue is split between the electricity and gas segments within the segmental analysis in note 5.

2.4.2 Feed-in-Tariff revenue

The FiT scheme (introduced in April 2010) is a government scheme designed to promote the uptake of renewable generation technologies. FiT payments are received quarterly for the electricity that the generating asset has generated and exported in the period, based on meter readings supplied. This is a single performance obligation (to generate renewable electricity) and the transaction price is explicitly set out per unit of electricity generated. The performance obligation is satisfied immediately when the power is generated. Payment is received from Ofgem approximately 45 days after the end of the period of generation. No refunds, returns or warranties are applicable.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.4 Revenue recognition (continued)

2.4.3 Feed-in-Tariff administration services

The Group 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, which is deemed to be the transaction price. For FiT services, 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 period from when the customer signs up with Good Energy until the following April, when the FiT compliance year ends for a new customer, and the ongoing fee that is received is spread over the 12 month compliance period. No refunds, returns or warranties are applicable.

FiT administration services is included within the FiT administration segment within the segmental analysis in note 5.

2.4.4 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 certificates from Ofgem allowing transfer of title. ROC revenue is deemed to be subsidy revenue rather than revenue from contracts with customers.

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, but this is not accounted for in advance of the receipt of the final out-turn price as the transaction price is not measurable.

The performance obligation is satisfied when the power is generated as this ensures the certificates are generated by Ofgem. There is a three-month delay from generation to invoice, and payment is made 5 days after receipt of the invoice. No refunds, returns or warranties are applicable.

2.4.5 Advertising revenue

The Group has contracts to provide advertising space to companies on the nextgreencar.com website and Zapmap app. Advertising contracts are entered into for adverts to run for a set period of time, and explicitly state the transaction price. Payment is made on receipt of bill in advance. The performance obligation for revenue recognition is satisfied over time based upon the amount of time that the advert has been running on the platforms. No refunds, returns or warranties are applicable.

Advertising revenue is included within the energy as a service segment within the segmental analysis in note 5.

2.4.6 Sale of EV market data

The Group sells licences for access to data feeds on the EV market and sells data insight reports. The transaction is explicitly stated in the contract. The performance obligation for the data feed licence is satisfied over time as the customer has a licence to access data when they require for a set contracted time period. Payment is made on receipt of bill in advance. The performance obligation for the sale of data insight reports is satisfied at the point in time the report is delivered to the customer. No refunds, returns or warranties are applicable.

Sale of EV market data revenue is included within the energy as a service segment within the segmental analysis in note 5.

2.4.7 Sale of heat pumps and installation

The Group sells a range of air source heat pumps. Sales are recognised when control of the product is transferred, being when the products are delivered to the customer and installed. Delivery and installation occur when the products have been delivered to the specific location and installed, the risks of obsolescence and loss have been transferred and the customer has accepted the products including objective evidence of acceptance.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.4 Revenue recognition (continued)

2.4.7 Sale of solar panels and installation

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts and value added taxes.

The Group recognises revenue when performance obligations have been satisfied which is when the solar panels have transferred to the customer, the installation services are complete and the customer has control of the products. The Group provides solar panel installation and maintenance services across Dorset, Somerset, Surrey, Hampshire, Wiltshire and Devon and revenue is recognised when the solar panels are installed and in operational use. Maintenance services are one-off in nature and maintenance revenue is recognised as and when required by the customer.

2.5 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and any costs attributable to bringing the asset to its working condition for its intended use.

The Group recognises part of an asset when that cost is incurred, if the recognition criteria are satisfied. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss in the period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, less any estimated residual value, on the following bases:

Fixtures, fittings and equipment	between 3 and 5 years
Leasehold improvements	over the life of the lease
Assets under construction	not depreciated

Depreciation of property, plant and equipment is included in the Consolidated Statement of Comprehensive Income in those expense categories consistent with the function of the asset.

An item of property, plant and equipment is derecognised upon disposal (i.e. at the date on which the recipient obtains control), or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (being the difference between the carrying amount of the asset and the net disposal proceeds) is included in profit or loss, upon derecognition.

2.5.1 Impairment of property, plant and equipment (including right-of-use assets)

The useful economic lives of assets and their residual values are reviewed on an annual basis and revised where considered appropriate.

At each reporting date, property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment in carrying value is charged to the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset, and is recognised in the period in which it occurs.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.6 Leases (the Group as a lessee)

For any new contracts entered into on or after 1 January 2019, the Group performs an assessment at the inception of a contract to determine whether the contract is, or contains, a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration".

The Group applies a single recognition and measurement approach for all leases, with the exception of those which are short-term, or which comprise low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

At the lease commencement date (i.e. the date on which the underlying asset is made available for use), the Group recognises a right-of-use asset on the Statement of Financial Position. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset comprises:

- the initial measurement of the lease liability,
- any initial direct costs incurred by the Group,
- an estimate of any costs required to dismantle or remove the asset at the end of the lease; and
- any lease payments made in advance of the lease commencement date, net of any incentives received.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the estimated useful life of the right-of-use assets and the end of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group classifies its right-of-use assets in a manner consistent with that of its property, plant and equipment, which includes the application of the same estimated useful life bases – please see note 2.5 for details.

The Group also assesses the right-of-use assets for impairment, when such indicators exist. Please refer to note 2.5.1 for the accounting policy in respect of impairment.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability include:

- fixed payments (including in-substance fixed payments) less any incentives receivable,
- variable lease payments that depend on an index or rate; and
- amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the Group, along with payments of penalties for termination of the lease if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or rate are recognised as expenses in the period in which the event of condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the rate implicit in the lease is not readily determinable. Subsequent to initial measurement, the amount of lease liabilities is increased to reflect the accretion of interest and reduced to reflect lease payments made.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine the lease payments) or a change in the assessment of an option to purchase the underlying asset.

In the Statement of Financial Position, the Group's lease liabilities are included within borrowings (please refer to note 23).

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.6 Leases (the Group as a lessee) (continued)

(c) Short-term leases and leases of low value assets

The Group has elected to apply the recognition exemption in respect of short-term leases (i.e. those which have a lease term of 12 months from the lease commencement date, and do not contain a purchase option), as well as the recognition exemption applicable to leases of assets that are considered to be low value.

Instead of recognising a right-of-use asset and lease liability, lease payments in relation to these are recognised as an expense in the Statement of Comprehensive Income, on a straight-line basis over the lease term.

2.7 Goodwill, intangible assets and amortisation

Goodwill is measured as the difference between:

- the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, and
- the aggregate of:
 - (i) the value of consideration transferred (at fair value),
 - (ii) the amount of any non-controlling interest, and
 - (iii) in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree.

2.7.1 Definite life intangible assets

Definite life intangible assets comprise software licences and website development costs, which meet the criteria of IAS 38 Intangible Assets, and 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.

2.7.2 Indefinite life intangible assets

Indefinite life intangible assets comprise goodwill and the power supply licence. The power supply licence is held as an indefinite life intangible asset according to the criteria of IAS 38 Intangible Assets, and 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.

2.7.3 Amortisation

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

Software licenses	between 3 and 10 years
Website development costs	between 2 and 5 years
Brand	between 10 and 15 years
Customer relationships	between 5 and 10 years
Order backlog	between 0 and 1 year
Assets under the course of development	not amortised

An intangible asset is derecognised upon disposal (i.e. at the date on which the recipient obtains control), or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (being the difference between the carrying amount of the asset and the net disposal proceeds) is included in profit or loss, upon derecognition.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.7 Goodwill, intangible assets and amortisation (continued)

2.7.4 Impairment of intangible assets

The Directors regularly review intangible assets for impairment and provision is made if necessary. Assets with indefinite useful lives are not subject to amortisation, therefore are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance 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 inflows (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. Any impairment in carrying value is charged to the Statement of Comprehensive Income within administrative expenses and is recognised in the period in which it occurs.

2.8 Investments in subsidiaries

The Parent Company holds investments in subsidiary companies, and these are accounted for at cost less impairment in the Parent Company financial statements only.

2.9 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is defined as "the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control of those policies".

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. Generally, there is a presumption that a holding of 20% or more of the voting power of the investee results in significant influence.

To support this presumption - and when the Group has less than a 20% holding - the Group considers all relevant facts and circumstances in assessing whether it has significant influence, including:

- Representation on the Board of Directors or equivalent governing body of the investee.
- Participation in policy making processes.
- The interchange of managerial personnel.

The Group reassesses whether or not there is significant influence over an investee if facts and circumstances indicate that there are one or more changes to the above.

The Group's investments in associates are accounted for using the equity method. Under this method, the investment in the associate is initially recognised at cost. Subsequent movements in the carrying value of the investment are accounted for by recognising the Group's share of the associate's profit or loss since the acquisition date, as well as any fair value movements in the associate's net assets.

Gains or losses from the associate's operating activities are recognised in the Consolidated Statement of Comprehensive Income, outside of operating profit. Any changes in OCI of the associate is presented as part of the Group's OCI.

Goodwill relating to the associate is included in the carrying value of the investment, and is not separately tested for impairment. Rather, the entire carrying amount of the investment is tested for impairment.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.9.1 Impairment of investments in associates

The Group recognises an impairment loss if, and only if, there is a triggering event giving rise to objective evidence that the associate is impaired, and that the triggering event has an impact on the future estimated cash flows from the net investment that can be reliably estimated. Where such evidence exists, the Group calculates the amount of the impairment as the difference between the recoverable amount of the investment (being the higher of its value in use and its fair value less costs to sell) and its carrying value.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.9 Investments in associates (continued)

Any impairment is recognised within the "Share of loss of Associate" line in the Consolidated Statement of Comprehensive Income. In 2022, the Group lost control of Zapmap as a subsidiary following a successful funding round. It is now accounted for as an associate under the equity method.

2.10 Inventories

2.10.1 Renewable Obligation Certificates (ROCs)

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. Externally generated ROCs are valued at the lower of purchase cost and estimated realisable value.

2.10.2 Carbon Offset Instruments

Carbon Offset Instruments are used by the Group to offset emissions generated by gas supply, as part of the Group's green gas offering. These instruments are recognised as inventory at the lower of cost and net realisable value.

2.11 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, borrowings, and financial assets and financial liabilities at fair value through profit and loss.

Financial assets and liabilities are recognised on the Consolidated Statement of Financial Position when the Group has become a party to the contractual provisions of the instrument.

2.11.1 Financial assets at amortised cost

The Group's financial assets at amortised cost 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, and are solely payments of principal and interest. 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 and are subsequently carried at amortised cost using the effective interest rate method, less allowances for expected credit losses (ECLs). These are held in a business model which intends to hold the financial assets to collect the contractual cash flows rather than through sale. Trade receivables are shown inclusive of unbilled amounts to customers.

The Group recognises an allowance for ECLs for all financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.11 Financial instruments (continued)

The expected credit loss on intercompany receivables is measured at an amount equal to the 12 months expected credit loss where the credit risk has not increased significantly since initial recognition, otherwise it is measured at an amount equal to the lifetime expected credit losses.

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.

Restricted deposits are held by financing providers to cover debt service and maintenance expenses on generation sites to which the funding relates. Short-term security deposits are held by trading exchanges to cover short-term electricity trades.

2.11.2 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.

2.11.3 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 23.

2.12 Disposal groups held for sale

Disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and the sale is highly probable. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. They are not depreciated or amortised.

2.13 Non-underlying costs

Non-underlying items are those that in the Directors' view should be separately disclosed by virtue of their size, nature or incidence to enable a full understanding of the Group's financial performance.

2.14 Current and deferred taxation

The tax charge or credit included in the Consolidated Statement of Comprehensive Income for the period comprises current and deferred tax. Current and deferred tax is charged or credited to the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also recognised within equity.

Current tax is the expected tax payable or receivable based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income as it excludes items of income or expense that are taxable or deductible in other years, and it further excludes permanent differences (i.e. items that are never taxable or deductible).

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.14 Current and deferred taxation (continued)

Deferred tax is the expected tax payable or recoverable on temporary differences which arise 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 provided for using the liability method, extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are generally 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 based on tax rates and tax laws that are expected to apply in the period when the asset is realised or the liability is settled.

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. The Group intends to settle its current tax assets and current tax liabilities on a net basis.

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 (e.g. an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. 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 (e.g. 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 Group 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.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.16 Share capital

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

2.17 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.

2.18 Segmental reporting

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

2.19 Finance income and finance costs

Finance income is received in respect of cash deposits and is recognised in the Statement of Comprehensive Income using the effective interest method. Finance costs comprise interest on external debt, finance lease interest costs and the amortisation of loan issue costs. Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Dividend distribution

Dividend distribution to the Parent 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 Parent Company's shareholders.

2.21 Changes in accounting policies and disclosures

New and amended standards and interpretations

The following new and amended standards and interpretations that are effective from 1 January 2023 have been applied with no impact on the financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Standards issued but not yet effective are not expected to have a material impact on the financial statements.

Standards applicable for the first time in 2023:

- IFRS 17 Insurance Contracts (issued May 2017) and Amendments to IFRS 17 Insurance Contracts (Issued June 2020)
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Issued December 2021)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements: Disclosure of Accounting Policies (Issued February 2021)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Issued February 2021)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Issued May 2021)
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules (Issued May 2023)

Notes to the Financial Statements

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.

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. In the Directors' opinion, these forecasts indicate that the Group will have sufficient resources to fund the continuation of trade.

The Group monitors cash flow forecasts on a 'rolling forecast' basis to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so as not to breach borrowing limits or covenants.

A maturity analysis of financial instruments based on contractual undiscounted cash flows is provided below:

Consolidated 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000's	£000's	£000's	£000's
Bank loan	11	16	-	-
Corporate bond	220	5,063	-	-
Lease liabilities	389	1,055	-	-
Trade and other payables	63,702	-	-	-
Total	64,322	6,134	-	-

Consolidated 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000's	£000's	£000's	£000's
Corporate bond	10	5,272	-	-
Lease liabilities	284	6	-	-
Trade and other payables	72,119	-	-	-
Total	72,413	5,278	-	-

Notes to the Financial Statements

3. Financial and Capital Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.1 Liquidity risk (continued)

Parent 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000's	£000's	£000's	£000's
Corporate bond	220	5,063	-	-
Trade and other payables	1,331	-	-	-
Total	1,551	5,063	-	-

Parent 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000's	£000's	£000's	£000's
Corporate bond	10	5,272	-	-
Trade and other payables	397	-	-	-
Total	407	5,272	-	-

IFRS 16 requires that the maturity analysis of lease liabilities are disclosed separately from the maturity analyses of other financial liabilities.

Notes to the Financial Statements

3. Financial and Capital Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.2 Market Risk

3.1.2a 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. There were no such swaps at the year end and the interest rate risk at 31 December 2023 is considered to be nil. None of the group's cash balances or restricted deposit accounts are exposed to interest rate risk. The interest rate on the bond is 4.75% and the only other exposure to this risk is on a small amount of interest income which is considered immaterial to warrant the preparation of a sensitivity analysis.

3.1.2b Commodity price risk

The Group's operations result 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 assesses trends, so it is ready to take necessary action when required.

Vertical integration of the Group during 2022 and 2023 helped further mitigate exposure to changes in power prices. Fluctuations in commodity prices flow directly into the price cap set by Ofgem, therefore commodity risk will be offset by revenue fluctuations as the price cap adjusts for commodity cost movements. A sensitivity analysis on commodity price risk is therefore not considered necessary.

3.1.3 Credit risk

The Group's exposure to credit risk arises from its receivables from customers. At 31 December 2023 and 31 December 2022, the Group's trade and other receivables were classed as due within one year, details of which are included in note 19. The Group's policy is to undertake credit checks where appropriate on new customers and to provide for expected credit losses (ECLs) based on estimated irrecoverable amounts determined by reference to specific circumstances and past debt collection 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 expected credit losses and believe that there is no further credit risk.

The Group's management would consider a default to occur should a customer debt remain unpaid after 12 months. This is appropriate due to the seasonal nature of the business and the use of direct debit as a common method of payment. Write offs are performed on an individual customer basis upon cessation of trade in the case of business customers, or if extensive debt collection efforts are unsuccessful.

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

The ECL model has been calculated in line with requirements under IFRS 9. The Group's trade receivables have no significant financing component, so the Group has used the simplified method for providing for these under IFRS 9. Therefore, the impairment loss is measured at lifetime ECL. Trade debtors have been segmented into categories of customer type and debt age, meaning the debt is split into categories with similar expected credit losses.

Notes to the Financial Statements

3. Financial and Capital Risk Management (continued)

3.1.3 Credit risk (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure the expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Intercompany balances owed to Good Energy Group PLC are reviewed regularly to monitor credit risk for the Parent Company.

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. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position, plus net debt. The capital structure of the Group is as follows:

	Note	2023	2022
		£000's	£000's
Total borrowings	23	6,218	5,221
Less: cash in restricted deposit accounts (current)		(5,912)	(8,462)
Less: cash and cash equivalents	20	(41,346)	(24,487)
Net debt		(41,040)	(27,728)
Total equity		42,005	38,987
Total capital		965	11,259
Gearing ratio		(4257%)	(246.3%)

The Group's borrowings are subject to maintaining covenants as defined by the debt funders. Throughout the year ended 31 December 2023 the Group complied with all external borrowing covenants and management monitors the continued compliance with these covenants on a quarterly basis.

Notes to the Financial Statements

4. Critical Accounting Judgements and 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 statements. These judgements and estimates are evaluated continually and are based on historical experience and other factors, including expectations of future events.

Given the nature of the estimates and judgements made, it is not appropriate to provide sensitivity analyses, unless explicitly stated otherwise. Actual results may differ from the initial judgement or estimate, and any subsequent changes are accounted for at a time when updated information becomes available.

The most critical of these accounting judgements and estimates are detailed below.

4.1 Judgements

4.1.1 Judgements over revenue from contracts with customers

The Group applied the following judgements that affect the determination of the amount and timing of revenue from contracts with customers:

(a) Identifying performance obligations in contracts

Good Energy's revenues from contracts with customers include unit charges and standing charges for the supply of electricity and gas and FiT administration fees. Most of these performance obligations are easily identifiable and are separable.

For FiT administration revenue from customers who are new to the FiT scheme, Good Energy is required to both register and administer that customer for a year, and there is a higher administration payment from Ofgem as a result. Registering a customer to the FiT scheme and administering their account are not separable performance obligations, as there is no fee for registering and not administering the customer.

(b) Principal versus agent considerations

Contracts are entered into with customers to supply electricity and gas, which is a service delivered over time (as the customer consumes the electricity or gas), in which the Group is the principal.

FiT administration contracts are entered into with the customer, to supply administration services on behalf of Ofgem. The Group acts as an agent for Ofgem, not a principal, because the Group is not entitled to revenue from the customers' FiT sites, only the administration fee.

Payment normally takes place after performance by the Group; NHH customers with 15-day payment terms and HH customers with 30-day payment terms. Some customers pay by monthly direct debit and the Group aims to recover billed amounts every 3 months. Contract assets and liabilities are based on timing of meter reads and changes in volumes due to factors such as weather therefore it is not possible to quantify year on year movements. Due to the nature of the business and the amount of customer accounts, it is not possible to quantify individual factors causing movements on contract assets and contract liability balances between the periods.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.2 Estimates

Critical estimates:

4.2.1 Estimates over revenue from contracts with customers

Revenue calculated from energy sales includes an industry estimate of the quantity in units of electricity or gas supplied to the Group's customers during the 12 months preceding the end of the reporting period. It also includes an estimate in the form of the average sales price per unit, and standing charge.

1% of the total revenue figure is estimated, with a fixed transaction price and estimated unit consumption.

The estimate is made using historical consumption patterns, industry estimated consumption rates, seasonality 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 14 months after the supply date.

The Group identified the amount of accrued income subject to estimation uncertainty is approximately £1.6m out of a total carrying amount of £23m held on the balance sheet at the year end included within note 19. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset.

4.2.2 Provision for expected credit losses of trade and intercompany receivables, and contract assets

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (e.g. by customer type).

The provision matrix is initially based on the Group's historic observed default rates, calibrated to adjust the historic credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The group has considered external benchmarks for future macro-economic indicators and concluded that the inclusion of a domestic macroeconomic overlay was not appropriate in the ECL calculation as at 31 December 2023 due to falling wholesale prices and the resulting decrease in Ofgem's energy price cap. In addition, wider macroeconomic pressures such as inflation are likely to continue to fall during 2024. A commercial overlay was included in the ECL calculation in the current year reflecting a significant increase in UK small and medium-sized enterprises (SMEs) entering into voluntary liquidation during 2023.

It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset.

The assessments undertaken in recognising provisions have been made in accordance with IFRS 9. A provision for impairment of trade receivables is established based on an expected credit loss model. Information about the ECLs on the Group's trade receivables is disclosed in note 19.

The Parent Company also holds material receivable balances with its subsidiaries, for which the expected credit loss model is also used in establishing a provision for impairment, in accordance with IFRS 9. Information about the Parent Company loans to Group undertakings can be found per note 16.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.2 Estimates (continued)

4.2.3 Impairment of indefinite life assets

The carrying values of indefinite life assets included in intangible assets as disclosed in Note 15 are: goodwill of £4,633,000 (2022: £2,866,000). Within the total goodwill value of £4,633,000, £1,061,000 is allocated to Good Energy Limited, £1,805,000 is allocated to Good Energy Works Limited and £1,767,000 is allocated to Wessex ECOEnergy Limited, and a power supply license of £180,000 (2022: £180,000) is allocated to Good Energy Limited. Cash generating units (CGUs) are allocated at legal entity level.

In arriving at the conclusion that these assets have an indefinite life, management have observed that the power supply license is awarded until any breach of conditions stipulated by Ofgem. The treatment of goodwill is aligned with relevant accounting standards. An impairment review is undertaken annually or more frequently.

The result of this review was that no impairment is required in respect of the carrying values of the indefinite life assets.

Indefinite life assets are held within a CGU of £1,061k within Good Energy Limited. An impairment review has been carried out.

The key assumptions for value in use excluding goodwill in Good Energy Limited are as follows:

- Growth rate beyond five-year plan: 1.0%
- Pre-tax discount rate: 4.75%

The projected cash flows have been adjusted to allow for normalised business (i.e. no new business activity costs or revenue are included), and are considered a prudent case. It was concluded that the future cash flows do exceed the value of indefinite life assets, and therefore no impairment is required.

Sensitivity analysis has been conducted on the cost of capital for Good Energy Limited and the Directors noted that an increase of the pre-tax discount rate to 100% would leave significant headroom before impairment is required. Also the terminal growth rate could decrease to -5% with headroom remaining. Directors believe there to be significant headroom and therefore no impairment is required.

Indefinite life assets are also held within a CGU of £1,805k for goodwill in relation to the subsidiary Good Energy Works Limited.

The key assumptions used in the impairment review are as follows:

- Growth rate beyond five-year plan: 1.0%
- Pre-tax discount rate: 8%

Sensitivity analysis has been conducted on the cost of capital for Good Energy Works Limited and the Directors noted that an increase of the post-tax discount rate to 45% would leave significant headroom before impairment is required. Also the terminal growth rate could decrease to -5% with headroom remaining. Directors believe there to be significant headroom and therefore no impairment is required.

The final indefinite life asset is held within a CGU of £1,767k for goodwill in relation to Wessex ECOEnergy Limited, a subsidiary acquired during the year. An external purchase price allocation valuation exercise was obtained to support the fair values of separately identifiable intangible assets arising on acquisition included within note 15. The impairment exercise carried out supports the carrying value of goodwill recognised in respect of Wessex ECOEnergy and the directors are comfortable that no impairment is required.

4.2.4 Investment in associate

During the prior year, the group recognised an investment in associate in respect of Zapmap, measured under the equity method. An independent external valuation was carried out to determine a fair value for the purposes of calculating the initial value of the investment in the associate.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.2 Estimates (continued)

4.2.4 Investment in associate (continued)

On 8th August 2022, the group holding in Zapmap was restructured. Zapmap undertook a Series A funding round in which the Group participated. Following a competitive process, the Series A funding round was successfully completed with the Group and Fleetcor UK Acquisition Limited ("Fleetcor") investing in the round. Following the transaction, Good Energy has a significant minority 49.9% shareholding and Fleetcor have a shareholding of 19.9%. Fleetcor purchased its 19.9% stake for an investment of £5.3m.

The valuation of the revised holding in Zapmap has been conducted using the Merton model valuing the company's holding at £13.2m as at 31 December 2022. The valuation of Zapmap can be considered subjective due to various factors. Firstly, the fact that Zapmap's shares are unlisted; secondly, the mix of Ordinary and Preference share holdings; thirdly, the volatility assumption made within the valuation modelling; and finally, the application of value to a significant minority shareholding. The valuation was based on current prices in an active market for similar companies within the industry and is therefore categorised as Level 2 in the fair value hierarchy.

In the current year, a further independent external valuation exercise was undertaken under the Merton model to support the carrying value of Good Energy's investment in Zapmap at 31 December 2023 included within note 17. The external advisors took into account the performance of the business during the year and assumptions related to December 2023 to reach a minimum enterprise value for Zapmap. Management consider the valuation approach taken and the assumptions used reasonable and are comfortable that no impairment is required.

Other estimates:

4.2.5 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. Industry information from the Data Transfer Network catalogue is used in the estimation process. Specifically, D36 data flows are used to determine unbilled volume from industry data. Internal contract prices are then applied to the industry data to arrive at an estimate for power purchase costs. The estimation uncertainty relates to a carrying amount of £6.0m held on the balance sheet at the year end included within note 25.

Sensitivity analysis is not considered appropriate for power purchase costs. If power is not received via renewable generators, it is purchased through trades. Therefore, there is a natural control in place to mitigate unexpected shocks.

4.2.6 Inventories

The Group carries Renewable Obligation Certificates (ROCs) as inventory in its Consolidated Statement of Financial Position. 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 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. The estimation uncertainty relates to a carrying amount of £10.9m held on the balance sheet at year end included within note 18.

Sensitivity analysis is not conducted for ROCs due to the low level of risk involved. If no certificates are received, no payment is made. A change in the final out-turn value of a ROC is not expected to have a material impact on the financial statements. Volumes are monitored closely during the year for any movements that could materially impact the Renewable Obligation provision.

Notes to the Financial Statements

5. Segmental Analysis

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

The main segments are:-

- Electricity Supply
- FiT Administration
- Gas Supply
- Energy as a service (including Good Energy Works, Wessex ECOEnergy and Zapmap)
- Holding companies, being the activity of Good Energy Group PLC.

No operating segments have been aggregated to form the above reportable operating segments.

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.

Transfer prices in the prior year between operating segments are in a manner similar to transactions with third parties.

Notes to the Financial Statements

5. Segmental Analysis (continued)

Year ended 31 December 2023	Electricity Supply	FIT Administration	Gas Supply	Total supply companies	Energy as a Service	Holding companies/ consolidation adjustments	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Revenue							
Revenue from contracts with customers	204,815	5,464	41,402	251,681	3,043	(21)	254,703
Total revenue	204,815	5,464	41,402	251,681	3,043	(21)	254,703
Expenditure							
Cost of sales	(163,234)	(640)	(43,754)	(207,628)	(2,851)	21	(210,458)
Gross profit/(loss)	41,581	4,824	(2,352)	44,053	192	-	44,245
Administrative expenses				(33,049)	(3,424)	-	(36,520)
Net other operating income				88	83	-	171
Depreciation & amortisation				(671)	(37)	(54)	(762)
Operating profit/(loss)				10,374	(3,186)	(54)	7,134
Net finance income/(costs)				754	(16)	(162)	576
Share of loss of associate				-	(2,027)	-	(2,027)
Profit/(loss) before tax				11,128	(5,229)	(216)	5,683
Segments assets & liabilities							
Segment assets				38,822	1,516	71,587	111,925
Segment liabilities				(7,779)	(4,985)	(57,156)	(69,920)
Net assets/(liabilities)				31,043	(3,469)	14,431	42,005
Additions to non-current assets				1,281	328	2,656	4,265

All turnover arose within the United Kingdom.

Notes to the Financial Statements

5. Segmental Analysis (continued)

Year ended 31 December 2022	Electricity Supply	FIT Administration	Gas Supply	Total supply companies	Energy as a Service	Holding companies/ consolidation adjustments	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Revenue							
Revenue from contracts with customers	205,942	5,588	36,500	248,030	652	-	248,682
Total revenue	205,942	5,588	36,500	248,030	652	-	248,682
Expenditure							
Cost of sales	(190,391)	(688)	(27,516)	(218,595)	(196)	23	(218,768)
Gross profit	15,551	4,900	8,984	29,435	456	23	29,914
Administrative expenses				(20,685)	(2,041)	(3,577)	(26,303)
Net other operating (costs)/ income				(156)	170	52	66
Depreciation & amortisation				(1,806)	-	-	(1,806)
Operating profit/(loss)				6,788	(1,415)	(3,502)	1,871
Net finance (costs)/income				(96)	(3)	381	282
Gain arising on loss of control of subsidiary				-	7,767	-	7,767
Share of loss of associate				-	(712)	-	(712)
Profit/(loss) before tax				6,692	5,637	(3,121)	9,208
Segments assets & liabilities							
Segment assets				68,248	56	48,038	116,342
Segment liabilities				(60,156)	(279)	(16,921)	(77,356)
Net assets/(liabilities)				8,092	(223)	31,117	38,986
Additions to non-current assets						133	133

All turnover arose within the United Kingdom.

Notes to the Financial Statements

6. Operating Profit and Administrative Expenses

	Note	2023	2022
		£000's	£000's
The operating profit is stated after charging:			
Depreciation of property, plant and equipment	13	123	98
Depreciation of right of use assets	14	493	526
Amortisation of intangible assets	15	192	653
Auditors' remuneration			
Audit of parent and consolidated financial statements		138	113
Audit of subsidiaries		103	112
Subtotal (audit)		241	225
The administrative expenses comprise the following:			
Staff and associated costs		19,197	14,565
Office costs		3,766	3,900
Marketing costs		1,198	461
Professional fees and bank charges		8,326	3,747
Expected credit loss provision		3,444	3,636
Depreciation and amortisation		809	1,277
Impairment loss	15	286	298
Loss on disposal of non-current assets		15	-
Total		37,282	28,109

Notes to the Financial Statements

7. Staff Costs

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

	2023	2022
	£000's	£000's
Wages and salaries	15,971	11,436
Social security costs	1,630	1,290
Share based payments	341	198
Other pension costs	727	619
Total staff costs	18,669	13,543
Total expensed staff costs	18,669	13,543

Details of share based payments can be found in note 28.

No staff members were employed by the parent company during the year. The average monthly number of employees, including the Directors, during the year was as follows:

	2023	2022
	Number	Number
Operations	144	113
Business services	218	179
Total management and administration	362	292

Notes to the Financial Statements

8. Directors' and Key Management Remuneration

Directors' and Key Management emoluments	2023	2022
	£000's	£000's
Short term employee benefits	1,228	1,049
Post employment benefits	64	85
Share based payments	341	190
Total	1,633	1,324

Key management are considered to be the directors of Good Energy Group PLC and the Executive team. The emoluments relating to these teams are included in the table above.

During the year retirement benefits were accruing to 3 Directors of the Group (2022: 3) in respect of money purchase pension schemes.

In respect of the highest paid Director, the Group paid remuneration of £463,391 (2022: £320,384), including contributions to money purchase pension schemes of £28,158 (2022: £26,000).

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 the Directors' remuneration as required by AIM rule 19 are given in the table in the Directors' remuneration report on page 61 and are included in this note by cross reference.

9. Finance Income

	2023	2022
	£000's	£000's
Bank and other interest receivable	434	17
Preference share dividends	463	187
Discount on purchase of preference shares	-	429
Total finance income	897	633

Notes to the Financial Statements

10. Finance Costs

	2023	2022
	£000's	£000's
On corporate bond	220	237
Other interest payable	18	70
Interest on lease liabilities	83	44
Total finance costs	321	351

11. Taxation

	2023	2022
	£000's	£000's
Analysis of tax charge for the year		
Current tax		
Current tax	2,382	-
Adjustments in respect of prior years	377	(516)
Total current tax (see below)	2,759	(516)
Deferred tax		
Origination and reversal of temporary differences	55	(117)
Adjustments in respect of prior years	(7)	1,270
Total deferred tax (see note 22)	48	1,153
Tax on profit on ordinary activities	2,807	637

Adjustments in respect of prior year deferred tax amounts are from differences in profit before tax and qualifying fixed assets arising on finalisation of tax computations.

	2023	2022
	£000's	£000's
Income tax expense reported in the statement of profit and loss – continuing operations	2,807	637
Total tax charge for the year	2,807	637

Notes to the Financial Statements

11. Taxation (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is higher (2022: lower) than the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are explained as follows:

	2023	2022
	£000's	£000's
Accounting profit before tax from continuing operations	5,683	9,208
Profit before tax from discontinued operations	-	64
Accounting profit before income tax	5,683	9,272
Profit before tax multiplied by the standard rate of corporation tax in the UK of 23.5% (2022: 19%)	1,336	1,762
Tax effects of:		
Expenses not deductible for tax purposes	539	208
Non-taxable income	-	(1,557)
Effects of changes in tax rate	4	(28)
Share-based payment adjustment	53	58
Prior year adjustments	389	754
Non taxable item on consolidation	490	(570)
Deferred tax on losses not recognised	(4)	10
Total tax charge for the year	2,807	637

Corporation tax payable

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
UK corporation tax on profits for the year	-	-	2,228	-

Notes to the Financial Statements

12. Earnings per 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. At the year end, there were no shares held by Clarke Willmott Trust Corporation Limited (2022: 79,924) in trust for the Good Energy Group Employee Benefit Trust. The Employee Benefit Trust was wound up during 2023.

	Consolidated	
	2023	2022
Profit attributable to owners of the Company (£000's)	2,876	9,227
Basic weighted average number of ordinary shares (000's)	16,793	16,575
Basic earnings per share	17.1p	55.7p
Continuing operations	Consolidated	
	2023	2022
Profit attributable to owners of the Company (£000's)	2,876	8,571
Basic weighted average number of ordinary shares (000's)	16,793	16,575
Basic earnings per share	17.1p	51.7p
Discontinued operations	Consolidated	
	2023	2022
Profit attributable to owners of the Company (£000's)	-	64
Basic weighted average number of ordinary shares (000's)	-	16,575
Basic earnings per share	-	0.4p

Notes to the Financial Statements

12. Earnings per Share (continued)

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 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 209p (2022: 242p).

	Consolidated	
	2023	2022
Profit attributable to owners of the Company (£000's)	2,876	9,227
Weighted average number of diluted ordinary shares (000's)	16,963	16,585
Diluted earnings per share	17.0p	55.6p

The dilutive effect of share-based incentives was 169,580 shares (2022: 10,497 shares). The dilutive effect of share-based incentives for continuing operations was 169,580 shares (2022: 10,497 shares).

Continuing operations	Consolidated	
	2023	2022
Profit attributable to owners of the Company (£000's)	2,876	8,571
Weighted average number of diluted ordinary shares (000's)	16,963	16,585
Diluted earnings per share	17.0p	51.7p

Discontinued operations	Consolidated	
	2023	2022
Profit attributable to owners of the Company (£000's)	-	64
Weighted average number of diluted ordinary shares (000's)	-	16,585
Diluted earnings per share	-	0.4p

Notes to the Financial Statements

13. Property, Plant and Equipment

Consolidated Year ended 31 December 2023	Leasehold improvements	Furniture, fittings & equipment	Total
	£000's	£000's	£000's
Cost or valuation			
At 1 January 2023	447	1,184	1,631
Additions	-	168	168
On acquisition of subsidiary	-	33	33
Disposals	-	(18)	(18)
At 31 December 2023	447	1,367	1,814
Accumulated depreciation			
At 1 January 2023	(415)	(1,099)	(1,514)
Charge for the year	(32)	(91)	(123)
Eliminated on disposal	-	3	3
At 31 December 2023	(447)	(1,187)	(1,634)
Net book value			
At 1 January 2023	32	85	117
At 31 December 2023	-	180	180

Notes to the Financial Statements

13. Property, Plant and Equipment (continued)

Consolidated Year ended 31 December 2022	Leasehold improvements	Furniture, fittings & equipment	Total
	£000's	£000's	£000's
Cost or valuation			
At 1 January 2022	447	1,192	1,639
Additions	-	9	9
Addition on acquisition of subsidiary	-	22	22
Elimination on disposal of subsidiary	-	(39)	(39)
At 31 December 2022	447	1,184	1,631
Accumulated depreciation			
At 1 January 2022	(359)	(1,071)	(1,430)
Charge for the year	(56)	(42)	(98)
Depreciation on acquisition of subsidiary	-	14	14
At 31 December 2022	(415)	(1,099)	(1,514)
Net book value			
At 1 January 2022	88	121	209
At 31 December 2022	32	85	117

Notes to the Financial Statements

14. Right of Use Assets and Leases

Office buildings typically have lease terms of between 4 to 6 years. The Group's obligations under its office lease are secured by the lessor's title to the leased assets.

The Group also has certain leases of printers, laptops, and coffee and water machines, with low value underlying assets. The group has applied the recognition exemption in respect of these leases.

The office lease generally imposes a restriction from subleasing the underlying assets to another party, therefore the right-of-use assets can only be used by the Group.

The lease payments within the Group's lease agreements (with the exception of leases of low value underlying assets) are linked to annual charges in the Retail Price Index.

The Group classifies its right-of-use assets in a manner consistent with that of its property plant and equipment. The carrying values of the right-of-use assets, together with the depreciation charge split by class of underlying asset, are shown below:

Consolidated Year ended 31 December 2023	Land, land easements and buildings	Motor vehicles	Total
	£000's	£000's	£000's
Cost			
At 1 January 2023	2,187	-	2,187
Additions	1,203	55	1,258
Additions on acquisition of subsidiary	-	138	138
At 31 December 2023	3,390	193	3,583
Accumulated depreciation			
At 1 January 2023	(1,863)	-	(1,863)
Charge for the year	(447)	(46)	(493)
At 31 December 2023	(2,310)	(46)	(2,356)
Net book value			
At 1 January 2023	324	-	324
At 31 December 2023	1,080	147	1,227

Notes to the Financial Statements

14. Right of Use Assets and Leases (continued)

Consolidated Year ended 31 December 2022	Land, land easements and buildings	Total
	£000's	£000's
Cost		
At 1 January 2022	2,187	2,187
At 31 December 2022	2,187	2,187
Accumulated depreciation		
At 1 January 2022	(1,337)	(1,337)
Charge for the year	(526)	(526)
At 31 December 2022	(1,863)	(1,863)
Net book value		
At 1 January 2022	850	850
At 31 December 2022	324	324

Notes to the Financial Statements

14. Right of Use Assets and Leases (continued)

Set out below are the carrying amounts of lease liabilities (included within borrowings) and the movements during the period:

	2023	2022
	£000's	£000's
At 1 January	290	872
Additions	1,258	-
Additions from acquisition of subsidiary	267	-
Accretion of interest	83	44
Payments	(646)	(626)
At 31 December	1,252	290
Current (see note 23)	306	284
Non-current (see note 23)	946	6
Total	1,252	290

The maturity analysis of lease liabilities is disclosed in note 23.

The following are the amounts recognised in the Statement of Comprehensive income:

	2023	2022
	£000's	£000's
Depreciation of right-of-use assets (included within cost-of-sales and administration expenses)	493	526
Interest expense on lease liabilities	83	44
Expense relating to leases of low-value assets (included within administration expenses)	194	161
Total amount recognised in the Statement of Comprehensive Income	770	731

During the year, the Group had the following:

- Total cash outflows for leases of £840,000 (2022: £787,000)
- No transactions giving rise to gains or losses arising from sale and leaseback transactions
- No amounts relating to short-term leases.

Notes to the Financial Statements

14. Right of Use Assets and Leases (continued)

The Group also has lease contracts concerning office buildings which include extension and termination options. Management do not expect to exercise any options to extend the lease term and do not expect to exercise any options to terminate the lease.

At the Statement of Financial Position date, the Group had no lease commitments in respect of leases committed to but not yet commenced. The Group has not entered into any lease agreements in respect of the construction of a new premises.

15. Intangible Assets

Consolidated Year ended 31 December 2023	Power supply licence	Software licences	Website development costs	Goodwill	Brand, customer relationships & order backlog acquired*	Assets under the course of development	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost							
At 1 January 2023	180	7,098	213	2,866	-	286	10,643
Acquired in a business combination	-	-	-	1,767	889	-	2,656
Additions	-	9	3	-	-	-	12
At 31 December 2023	180	7,107	216	4,633	889	286	13,311
Accumulated amortisation and impairment losses							
At 1 January 2023	-	(6,971)	(169)	-	-	-	(7,140)
Charge for the year	-	(114)	(24)	-	(54)	-	(192)
Impairment	-	-	-	-	-	(286)	(286)
At 31 December 2023	-	(7,085)	(193)	-	(54)	(286)	(7,618)
Net book value							
At 1 January 2023	180	127	44	2,866	-	286	3,503
At 31 December 2023	180	22	23	4,633	835	-	5,694

*The brand, customer relationships & order backlog were recognised on acquisition of Wessex ECOEnergy Limited. An external valuation was obtained during the year resulting in the recognition of £0.9m of intangible assets, of which £0.8m relates to the Wessex brand name and £0.1m relates to Wessex customer relationships and order backlog acquired by the Group on completion of the transaction.

Notes to the Financial Statements

15. Intangible Assets (continued)

Consolidated Year ended 31 December 2022	Power supply licence	Software licences	Website development costs	Goodwill	Assets under the course of development	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost						
At 1 January 2022	180	7,500	219	1,984	733	10,616
Additions	-	-	-	-	124	124
Acquired in business combination	-	-	-	1,805	-	1,805
Disposal of subsidiary	-	(402)	(6)	(923)	(273)	(1,604)
Impairment	-	-	-	-	(298)	(298)
At 31 December 2022	180	7,098	213	2,866	286	10,643
Accumulated amortisation						
At 1 January 2022	-	(6,576)	(148)	-	-	(6,724)
Charge for the year	-	(629)	(24)	-	-	(653)
Disposals	-	234	3	-	-	237
At 31 December 2022	-	(6,971)	(169)	-	-	(7,140)
Net book value						
At 1 January 2022	180	924	71	1,984	733	3,892
At 31 December 2022	180	127	44	2,866	286	3,503

Assets under the course of development in the current and prior year relate to costs initially capitalised in respect of a project that is no longer going ahead. The associated impairment losses are included within administrative expenses in the Consolidated Statement of Comprehensive Income, and in the electricity supply category within the segmental analysis in note 5.

Notes to the Financial Statements

15. Intangible Assets (continued)

The carrying values of indefinite life assets included in intangible assets are: goodwill of £4,633,000 (2022: £2,866,000). Within the total goodwill value of £4,633,000, £1,061,000 is allocated to Good Energy Limited, £1,805,000 is allocated to Good Energy Works Limited and £1,767,000 is allocated to Wessex ECOEnergy Limited, and a power supply licence of £180,000 (2022: £180,000) is allocated to Good Energy Limited. Cash generating units (CGUs) are allocated at legal entity level.

In arriving at the conclusion that these assets have an indefinite life, management have observed that the power supply licence is awarded until any breach of conditions stipulated by Ofgem. The treatment of goodwill is aligned with relevant accounting standards. An impairment review is undertaken annually or more frequently.

The result of this review was that no impairment is required in respect of the carrying values of indefinite life assets.

Indefinite life assets are held within a cash generating unit of £1,061,000 within Good Energy Limited. An impairment review has been carried out.

The key assumptions for value in use excluding goodwill in Good Energy Limited are as follows:

- Growth rate beyond five-year plan: 1.0%
- Pre-tax discount rate: 4.75%

The projected cash flows have been adjusted to allow for normalised business (i.e. no new business activity costs or revenues are included), and are considered a prudent case. It was concluded that the future cash flows do exceed the value of indefinite life assets, and therefore no impairment is required.

Sensitivity analysis has been conducted on the cost of capital for Good Energy Limited and the Directors noted that an increase of the pre-tax discount rate to 100% would leave significant headroom before impairment is required. Also, the terminal growth rate could decrease to -5% with headroom remaining. Directors believe there to be significant headroom and therefore no impairment is required.

Indefinite life assets are also held within a CGU of £1,805k for goodwill in relation to the subsidiary Good Energy Works Limited.

The key assumptions used in the impairment review are as follows:

- Growth rate beyond five-year plan: 1.0%
- Pre-tax discount rate: 8%

Sensitivity analysis has been conducted on the cost of capital for Good Energy Works Limited and the Directors noted that an increase of the post-tax discount rate to 45% would leave significant headroom before impairment is required. Also, the terminal growth rate could decrease to -5% with headroom remaining. Directors believe there to be significant headroom and therefore no impairment is required.

The final indefinite life asset is held within a CGU of £1,767k for goodwill in relation to Wessex ECOEnergy Limited, a subsidiary acquired during the year. An external purchase price allocation valuation exercise was obtained to support the fair values of separately identifiable intangible assets arising on acquisition included within note 15. The impairment exercise carried out supports the carrying value of goodwill recognised in respect of Wessex ECOEnergy and the directors are comfortable that no impairment is required.

Notes to the Financial Statements

16. Investments and Subsidiaries

Parent Company Year ended 31 December 2023	Shares in Group undertakings	Loans to Group undertakings	Total
	£000's	£000's	£000's
Cost and net book value			
At 1 January 2023	10,260	-	10,260
Acquisition of subsidiary	2,554	-	2,554
At 31 December 2023	12,814	-	12,814

Parent Company Year ended 31 December 2022	Shares in Group undertakings	Loans to Group undertakings	Total
	£000's	£000's	£000's
Cost and net book value			
At 1 January 2022	3,275	1,250	4,525
Acquisition of subsidiary	1,813	-	1,813
Loss of control of subsidiary and subsequent investment in associate	5,172	(1,250)	3,922
At 31 December 2022	10,260	-	10,260

Loans to Group undertakings were repayable by 31 December 2035. Interest rates charged on these loans range from 0.00% to 8.85%. Repayments include dividends not settled in cash.

Notes to the Financial Statements

16. Investments and Subsidiaries (continued)

The Group had the following subsidiaries at 31 December 2023 (all of which have the same registered address as Good Energy Group PLC unless otherwise noted, which can be found within the Directors and Corporate Resources section on the final page of this report):

Name	Country of incorporation and place of business	Proportion of ordinary shares directly held by Parent Company	Nature of business
Good Energy Limited	UK	100%	Supply of renewably sourced electricity and FIT administration
Good Energy Gas Limited	UK	100%	Supply of gas
Good Energy Generation Limited	UK	100%	An investor in potential new generation sites
Good Energy Services Limited	UK	100%	Holding company
Good Energy Works Limited*	UK	100%	Heat pump installation
Wessex ECOEnergy Limited*	UK	100%	Solar panel installation
Good Energy Cedar Windfarm Limited*	UK	85%	Dormant
Good Energy Tidal Limited	UK	100%	Dormant

*Entities indirectly owned by Good Energy Group PLC

The subsidiaries above have all been included in the consolidated financial statements.

Impairment

The Group performed an impairment test in December 2023. The Group considers the relationship between its market capitalisation and its book value, as well as forward looking estimates of cash flows, when reviewing for indicators of impairment. As at 31 December 2023, the market capitalisation of the Group was higher than the book value of its equity. Management concluded from these reviews that no indicators of impairment existed.

The recoverable amounts of investments in subsidiaries have been determined based on an assessment of forward looking estimates of cash flows and a probability of default. The projected cash flows have been adjusted to allow for normalised business (i.e. no new business activity costs or revenue are included), and are considering a prudent case. The pre-tax discount rate applied to cash flow projections is 4.75%, and cash flows beyond the five-year period are extrapolated using a 1.0% growth rate. It was concluded that the future cash flows do exceed the value of investments in subsidiaries, and therefore no impairment is required.

Key assumptions used in impairment calculations and sensitivity to changes in assumptions. The calculation of value in use is most sensitive to the following assumptions:

- Discount rate
- Growth rates used to extrapolate cash flows beyond the forecast period

Discount rate – the discount rate represents the current market assessment of the risks specific to the Group, taking into consideration the time value of money. The discount rate is derived from the Group's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. A discount rate of 100% would still leave significant headroom, and would not trigger an indication of impairment.

Growth rate estimates – rates are based on management's prudent estimates of expected growth. A decrease in the growth rate estimate to -5% would still leave significant headroom, and would not trigger an indication of impairment.

Notes to the Financial Statements

17. Investments in Associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principal place of business/Country of incorporation	Ownership Interest	
		2023	2022
Zapmap Limited	United Kingdom	49.9%	49.9%

The primary business of Zapmap Limited is the provision of website, app and services in the electric vehicle sector.

Summarised financial information:

	2023	2022
	£000's	£000's
Current assets	1,895	6,644
Non-current assets	2,132	946
Total assets	4,027	7,590
Current liabilities	(975)	(935)
Non-current liabilities	(11,765)	(10,739)
Total liabilities	(12,740)	(11,674)
Net liabilities	(8,713)	(4,084)

There are no significant restrictions other than those set out in the Companies Act that prevent Zapmap Limited from distributing a dividend.

Summarised statement of profit or loss and other comprehensive income:

	2023	2022
	£000's	£000's
Revenue	1,718	503
Expenses	(6,247)	(1,930)
Loss before income tax	(4,529)	(1,427)
Loss after income tax	(4,529)	(1,427)

Notes to the Financial Statements

17. Investments in associates (continued)

Reconciliation of the entity's carrying amount:

	2023	2022
	£000's	£000's
Opening carrying amount	12,578	-
Fair value of initial investment	-	13,290
Share of loss after income tax	(2,027)	(712)
Closing carrying amount	10,551	12,578

In the prior year, a £7.8m revaluation gain was recognised upon loss of control of Zapmap as a subsidiary following a Series A funding round in August 2022. Good Energy participated in the funding round and invested an additional £3.5m into Zapmap.

18. Inventories

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Renewable Obligation Certificates	-	-	10,861	8,767
Emission Certificates	-	-	144	425
Consumables	-	-	21	20
Total	-	-	11,026	9,212

As at 31 December 2023 there were Renewable Obligation Certificates (ROCs) of £7,162,980 (2022: £5,997,459) 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 year. The cost of inventories recognised as an expense, including any impairment value, and included in 'cost of sales' amounted to £12.7m (2022: £16.1m).

Notes to the Financial Statements

19. Trade and Other Receivables

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Gross trade receivables and unbilled receivables	1	-	49,211	69,007
Provision for impairment/non-payment of trade receivables	-	-	(18,872)	(15,428)
Net trade receivables and unbilled receivables	1	-	30,339	53,579
Prepayments and other debtors	743	5,224	3,611	1,330
Other taxation	-	-	1,908	2,588
Amounts due from group companies	5,679	-	-	-
Total	6,423	5,224	35,858	57,497

Where a customer account is in credit this is included in contract liabilities (see note 25 Trade and Other Payables).

The Group has identified that the amount of accrued income subject to estimation uncertainty is approximately £1.6m.

The Group has a provision in place to set aside an allowance to cover potential impairment and non-payment of trade receivables. An expected credit loss provision has been calculated on trade receivables in accordance with IFRS 9 Financial Instruments. 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	2023	2022
	£000's	£000's
Balance at 1 January	15,428	11,792
Increase in allowance for impairment/non-payment	3,444	3,636
Balance at 31 December	18,872	15,428

Notes to the Financial Statements

19. Trade and Other Receivables (continued)

Trade receivables 31 December 2023	Days past due					Total £000's
	Current	<30 days	30-60 days	61-90 days	>91 days	
	£000's	£000's	£000's	£000's	£000's	
Expected credit loss rate	7.9%	13.9%	28.6%	43.6%	92.1%	
Estimated total gross carrying amount at default	22,153	4,302	1,963	960	16,869	46,247
Expected credit loss rate	1,759	597	562	419	15,538	18,872

Trade receivables 31 December 2022	Days past due					Total £000's
	Current	<30 days	30-60 days	61-90 days	>91 days	
	£000's	£000's	£000's	£000's	£000's	
Expected credit loss rate	6.4%	15.0%	27.1%	39.1%	87.9%	
Estimated total gross carrying amount at default	41,471	3,041	1,805	1,492	12,780	60,589
Expected credit loss rate	2,662	456	490	584	11,236	15,428

All trade receivables are designated as financial assets measured at amortised cost.

Notes to the Financial Statements

20. Cash and Cash Equivalents

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Cash at bank and in hand	1,373	4,021	25,319	24,063
Short-term bank deposits	-	-	16,000	-
Security deposits	-	-	27	424
Total	1,373	4,021	41,346	24,487

No amounts were included within cash at bank and in hand (2022: £592,893 for both the Parent Company and the Group) in respect of monies held by the Good Energy Employee Benefit Trust. The Employee Benefit Trust was wound up during 2023.

Included within the cash and cash equivalents balance at 31 December 2023 are £13.9m of customer credit balances (2022: £4.9m).

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

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
AA-	-	593	221	593
A+	1,280	3,334	40,656	23,403
A	-	-	-	-
A-	-	-	375	397
B	93	94	94	94
Total	1,373	4,021	41,346	24,487

Cash and cash equivalents are all financial assets designated as financial assets at amortised cost.

Notes to the Financial Statements

21. Share Capital and Share Premium

	Parent Company & Consolidated				
	Number of Authorised shares	Number of shares issued and fully paid	Share Capital	Share Premium Account	Total
			£000's	£000's	£000's
At 1 January 2022	20,000,000	16,783,914	840	12,790	13,630
Proceeds from shares issued	-	28,626	1	-	1
Scrip dividends issued	-	47,559	3	125	128
At 31 December 2022	20,000,000	16,860,099	844	12,915	13,759
Scrip dividends issued	-	34,031	1	60	61
At 31 December 2023	20,000,000	16,894,130	845	12,975	13,820

The ordinary shares are the only class of shares in the Company. Holders of ordinary shares are entitled to vote at general meetings of the Company and receive dividends as declared. The Articles of Association of the Company do not contain any restrictions on the transfer of shares or on voting rights.

In 2023, the Company issued 34,031 (2022: 47,559) ordinary shares of 5p each in settlement of scrip dividends for a total exercise consideration of £61,286.

The Group's Employee Benefit Trust was closed during the year. As a result, at the year end, Clarke Willmott Trust Corporation Limited held no ordinary shares (2022: 79,924) of the Company for the present and future beneficiaries of the Good Energy Group Employee Share Option Scheme.

The Board recommend a final dividend for 2023 of 2.25p (2022: 2.00p) per ordinary share, taking the full year dividend to 3.25p (2022: 2.75p).

Notes to the Financial Statements

22. Deferred Taxation

The provision for deferred taxation is made up as follows:

Consolidated	2023	2022
	£000's	£000's
At 1 January	(162)	4,583
Charged to the Consolidated Statement of Comprehensive Income	48	1,153
Deferred tax impact of amortisation movement on intangible assets acquired	13	-
Elimination on disposal	-	(5,898)
Acquisition of subsidiary	209	-
Charged to equity	(239)	-
At 31 December	(131)	(162)

Deferred tax assets	2023	2022
	£000's	£000's
On short term timing differences	16	54
Losses	38	66
Share based payments	270	-
On accelerated capital allowances	16	42
Total	340	162

Deferred tax liabilities	2023	2022
	£000's	£000's
Arising on recognition of intangible assets acquired	(209)	-
Total	(209)	-

Notes to the Financial Statements

22. Deferred Taxation (continued)

	Accelerated capital allowances	Revaluation of Generation sites	Acquisition of subsidiary fair values	Short-term timing differences	Losses	Share based payment	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Deferred tax assets/(liabilities)							
At 1 January 2022	(2,780)	(4,110)	(35)	130	2,212	-	(4,583)
Credited/ (charged) to the income statement	2,822	(1,788)	35	(76)	(2,146)	-	(1,153)
Disposal	-	5,898	-	-	-	-	5,898
At 31 December 2022	42	-	-	54	66	-	162
(Charged)/ credited to the statement of comprehensive income	(26)	-	-	(38)	(28)	31	(61)
Acquisition of subsidiary	-	-	(209)	-	-	-	(209)
Charged to equity	-	-	-	-	-	239	239
At 31 December 2023	16	-	(209)	16	38	270	131

Deferred tax on losses incurred pre 1 April 2017 has only been recognised to the extent that the relevant companies which incurred the losses have sufficient deferred tax liabilities available for offset. Should deferred tax be recognised on all such losses, the deferred tax asset and profit after tax would increase by £731,574 relating to losses of £2,926,295.

Notes to the Financial Statements

23. Borrowings and Other Financial Liabilities

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Current:				
Bank loans	-	-	10	-
Corporate bond	215	10	215	10
Lease liabilities	-	-	306	284
Total	215	10	531	294

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Non current:				
Bank loans	-	-	15	-
Corporate bond	4,726	4,922	4,726	4,921
Lease liabilities	-	-	946	6
Total	4,726	4,922	5,687	4,927

The current portion of the bond repayment represents the interest accrued and the amount of principal repayments requested prior to the year end. The latest redemption request deadline was in December 2023, for repayment of the remaining bond in June 2024.

The bank loan is in relation to a Government-backed Bounce Back loan held by Wessex ECOEnergy Limited.

Notes to the Financial Statements

23. Borrowings and Other Financial Liabilities (continued)

Parent Company	Bond	Total
	£000's	£000's
31 December 2023		
Due less than 1 year	215	215
Due between 1 and 5 years	4,726	4,726
Total	4,941	4,941

Parent Company	Bond	Total
	£000's	£000's
31 December 2022		
Due less than 1 year	10	10
Due between 1 and 5 years	4,922	4,922
Total	4,932	4,932

The maturity profile of the bond is included in note 3.1.1.

Notes to the Financial Statements

23. Borrowings and Other Financial Liabilities (continued)

Consolidated	Bank loans	Bond	Lease liabilities	Total
	£000's	£000's	£000's	£000's
31 December 2023				
Due less than 1 year	10	215	306	531
Due between 1 and 5 years	15	4,726	946	5,687
Total	25	4,941	1,252	6,218

Consolidated	Bond	Lease liabilities	Total
	£000's	£000's	£000's
31 December 2022			
Due less than 1 year	10	284	294
Due between 1 and 5 years	4,921	6	4,927
Total	4,931	290	5,221

The fair values of borrowings have been calculated taking into account the interest rate risk inherent in the bond. The fair value estimates and carrying values of borrowings (excluding issue costs) in place at 31 December 2023 are:

	2023	2023	2022	2022
	Fair value	Carrying value	Fair value	Carrying value
	£000's	£000's	£000's	£000's
Corporate bond	4,833	4,449	4,820	4,486

Borrowings are designated as other financial liabilities held at amortised cost. The carrying amount is a reasonable approximation of fair value for all remaining financial assets and liabilities held by the Group.

The corporate bond is categorised as Level 1 in the fair value hierarchy as this is based on quoted prices in an active market.

Notes to the Financial Statements

24. Changes in Liabilities Arising from Financing Activities

	1 January 2023	Cash flows	Interest	New Leases	New Loans	31 December 2023
	£000's	£000's	£000's	£000's	£000's	£000's
Current interest-bearing loans and borrowings (excluding items listed below)	10	134	51	-	30	225
Non-current interest-bearing loans and borrowings (excluding items listed below)	4,921	(180)	-	-	-	4,741
Current lease obligations	284	(745)	83	684	-	306
Non-current lease obligations	6	99	-	841	-	946
Total liabilities from financing activities	5,221	(692)	134	1,525	30	6,218

The Group classifies interest paid as cash flows from operating activities.

Notes to the Financial Statements

25. Trade and Other Payables

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Trade payables	22	-	2,090	11,465
Accruals	706	405	41,497	50,868
Social security and other taxes	-	-	498	377
Corporation Tax	-	-	2,228	-
Amounts due to group companies	603	-	-	-
Contract liabilities	-	-	17,389	9,425
Total	1,331	405	63,702	72,135

Trade payables, accruals and other payables are designated as other financial liabilities held at amortised cost. The accruals include liabilities such as the ROC accruals for the current compliance period, unbilled transmission network charges and the Group's FIT pot contribution.

All of the contract liabilities in 2022 as shown above were recognised as revenue in 2023.

26. Dividends Paid

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

Consolidated	2023	2022
	£000's	£000's
Final dividend for prior year of 2p per share (2022: 1.8p)	336	187
Interim dividend for current year of 1p per share (2022: 0.75p)	169	238
Total	505	425

A final dividend of 2.25p per share was proposed on 19 March 2024, subject to shareholder approval at the Company's AGM.

Of the total dividend distributed for the year, £60,286 (2022: £127,274) was paid in the form of scrip dividends with a balance of £444,913 (2022: £297,458) settled in cash.

Notes to the Financial Statements

27. Cash Generated from Operations

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

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
(Loss)/profit before tax from continuing operations	263	(3,524)	5,683	9,208
Profit/(loss) before tax from discontinuing operations	-	-	-	64
(Loss)/profit before income tax	263	(3,524)	5,683	9,272
Adjustments for:				
Depreciation of PPE and ROU assets	-	-	616	624
Amortisation & impairment of intangibles	-	3	478	951
Transfers from/(to) restricted deposit accounts	-	-	2,550	(1,515)
Gain arising on loss of control of subsidiary	-	-	-	(7,767)
Gain/(loss) on sale of assets held for sale	-	47	-	(64)
Share based payments	341	198	341	198
Gain on closure of Employee Benefit Trust	(43)	-	(43)	-
Loss on asset disposals	-	-	15	-
Share of loss of associate	-	-	2,027	712
Dividend income from subsidiaries	(2,000)	-	-	-
Other finance income - net	(422)	(381)	(576)	(281)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation)				
Inventories	-	-	(1,882)	(1,509)
Trade and other receivables	2,467	(4,551)	22,347	(21,253)
Trade and other payables	(111)	(568)	(10,923)	25,812
Cash inflow/(outflow) from operations	495	(8,776)	20,634	5,180

Notes to the Financial Statements

28. 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. During the year costs of £341,000 (2022: £197,963) in respect of these options have been recognised in the Consolidated Statement of Comprehensive Income. As at 31 December 2023, the following options had been issued:

	Number of options		Weighted average exercise price		Total exercise consideration	
	2023	2022	2023	2022	2023	2022
	(Number)	(Number)	(£)	(£)	£000's	£000's
Outstanding at beginning of year	878,307	708,528	2.23	1.82	1,956	1,291
Granted	840,288	435,701	1.49	2.27	1,252	989
Exercised	(60,000)	(199,582)	1.25	1.03	(75)	(206)
Cancelled/surrendered	(72,478)	(66,340)	2.37	1.78	(172)	(118)
Outstanding at the end of year	1,586,117	878,307	1.87	2.23	2,961	1,956

Of the options outstanding, no shares (2022: 79,924) have already been issued and held by Clarke Willmott Trust Corporation Limited as the Trustee of the Good Energy Group Employee Benefit Trust. Dividends were waived on these shares in the prior year. The Employee Benefit Trust was wound up during 2023.

The fairvalue of the share options granted during the year were measured using the black scholes model with the following inputs:

- Weighted average fair value at the measurement date: £2.09
- Exercise price: £1.49
- Expected life of share options: 3 years
- Annual risk-free interest rate: 5.348%
- Expected volatility: 61.99%

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Notes to the Financial Statements

28. Share-Based Payments (continued)

Grant-vest	Expiry year	Exercise price in £ per share options	Share options (thousands)	
			2023	2022
2013-2016	2023	1.25	-	60
2015-2018	2028	2.25	50	50
2021-2022	2023	1.78	75	75
2021-2024	2025	2.51	226	258
2022-2025	2026	2.27	395	436
2023-2026	2027	1.49	840	-
			1,586	879

There were 840,288 share options granted in the current year. The right to exercise share options expires in line with contractual agreements between the group and the holder made at the grant date, or varied by agreement with both the Group and the holder.

See Note 8 for the total expense recognised in the Income Statement for share options granted to Directors and employees.

29. Business Combinations

On 22 June 2023 the Group acquired 100% of the voting equity instruments of Wessex ECOEnergy Limited, a company whose principal activity is the provision of solar panel installations. The acquisition will enable the Group to build on its strategy to accelerate its capability in decentralised energy services.

Recognised amount of identifiable assets and liabilities acquired:

	Book Value	Fair Value
	£000s	£000s
Property, plant and equipment	171	171
Intangible assets	-	889
Inventories	362	362
Receivables	246	246
Cash	350	350
Payables	(297)	(297)
Borrowings	(711)	(711)
Deferred tax liability	-	(223)
Total identifiable net assets	119	787
Goodwill		1,767
Consideration		2,554

Notes to the Financial Statements

29. Business Combinations (continued)

The fair value of trade receivables at the acquisition date is £103,911. The gross contractual amount for trade receivables due is £103,911. All amounts are expected to be collected.

Fair value of consideration paid:

	£000s
Cash	2,554
Total consideration	2,554
Goodwill	1,767

The main factor leading to the recognition of goodwill is the presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition. The goodwill recognised will not be deductible for tax purposes. Acquisition costs of £634,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the statement of comprehensive income. No issue costs have been recognised in respect of the transaction.

The results of Wessex EcoEnergy Limited since its acquisition are as follows:

	£
Turnover	2,073,572
Loss	38,106

Since the acquisition date, Wessex ECOEnergy Limited has contributed £2,073,572 to Group revenues and a loss of £38,106 to the group's results. If the acquisition had occurred on 1 January 2023 Good Energy Group's revenue would have been £256,432,000 and Group profit for the year would have been £2,676,000.

Post year end, on 12 February 2024, the Group acquired 100% of the issued share capital of JPS Group, a specialist solar and storage installation and distribution business. The acquisition strengthens Good Energy's service offering and accelerates the Company's energy services growth strategy in targeting higher margin, growth markets with lower working capital requirements.

The acquisition took place on a debt-free cash-free basis for an initial consideration of £7m with further deferred consideration of up to £6.75m, payable in cash over a two-year period, subject to certain performance conditions. The initial consideration was satisfied by a cash payment on completion and through the allotment of 1,322,000 new ordinary shares of 5p each in the Company. A proportion of the consideration shares have been placed on behalf of JPS Group's selling shareholders via a vendor placing of 842,000 consideration shares at a price of 250p per placing share, raising proceeds of approximately £2.1m for the vendors.

Due to the short period of time between acquisition and reporting, the accounting for the acquisition of JPS Group has only been provisionally determined at the date the financial statements for the year ended 31 December 2023 are authorised for issue. In accordance with the requirements of IFRS 3 Business Combinations, the Group will finalise the acquisition balance sheet within 12 months of the acquisition date.

JPS Group made no contribution to Group revenues or profits in 2023. It is impractical to disclose Group revenues and profits if the acquisition had occurred on 1 January 2023 due to differing financial year ends and limited access to finalised accounting information at the date of signing the financial statements.

Notes to the Financial Statements

30. Pensions

The Group operates a defined contribution 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 £706,000 (2021: £596,000).

Total contributions of £126,000 (2022: £182,000) were payable to the fund at the end of the financial year 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.

31. Related Party Transactions

During the year the Group recognised £463k (2022: £187k) in respect of preference dividends due from irredeemable preference shares held in Zapmap Limited. The amount was unpaid at the year end and is included within trade and other receivables.

32. Subsequent Events

A final dividend of 2.25p per share (2022: 2.0p) was proposed on 19 March 2024, subject to shareholder approval at the Group's AGM.

On 12 February 2024, Good Energy Group PLC acquired the entire issued share capital of JPS Renewable Energy Ltd, a specialist solar and storage installation and distribution business, and its wholly owned subsidiary, Trust Solar Wholesale Ltd, a standalone distribution and procurement business, for an initial consideration of £7m.

The initial consideration was satisfied by a cash payment on completion and through the allotment of 1,322,000 new ordinary shares in Good Energy Group PLC. A proportion of the consideration shares have been placed on behalf of JPS Group's selling shareholders via a vendor placing of 842,000 consideration shares at a price of 250 pence per placing share raising proceeds of approximately £2.1m for the vendors.

33. Subsidiary Undertakings Exempt from Audit

Good Energy Group PLC has provided the necessary parental guarantees under Section 479A of the Companies Act 2006, to enable the following companies exemption from audit:

Directly held subsidiaries:

Good Energy Tidal Limited

Good Energy Services Limited

Indirectly held subsidiaries:

Good Energy Cedar Windfarm Limited

Good Energy Works Limited

Wessex ECOEnergy Limited

Directors and Corporate Resources

Directors

William Whitehorn (Non-Executive Chairman)
Nigel Pocklington (Chief Executive)
Rupert Sanderson (Chief Financial Officer)
Francoise Woodward (Chief Operating Officer)
Timothy Jones (Non-Executive Director)
Emma Tinker (Non-Executive Director)
Nemone Wynn-Evans (Non-Executive Director)

Company Secretary

Computershare Company Secretarial Services Limited
Bridgewater Road, Bristol, BS13 8AE

Company Number

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The Co-operative Bank PLC
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Manchester
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Legal Advisors

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Registrars

Computershare Investor Services PLC
The Pavilions, Bridgewater Road
Bristol
BS99 6ZY

Acronyms and definitions

API: Application Programme Interface solution.

Board: The Board of the Company.

Company: Good Energy Group PLC.

CPO: Charge point operators build EV charging sites and manage charging network infrastructure.

Default/deemed tariffs: Good Energy's default and deemed tariffs are supply tariffs which are subject to the energy price cap. A customer automatically switches to the default tariff if they are on a fixed tariff which comes to an end and they take no other action (such as switching to our SVT or another fixed tariff). Customers on deemed tariffs are other instances where there has not been an active choice to switch, such as where a customer has moved into a property supplied by Good Energy.

DEFRA: The Government Department for Environmental, Food and Rural Affairs department that develops and implements policy on the environment, food and rural issues. They are responsible for supporting the growth of a sustainable green economy.

EV: Electric vehicle.

Export payments: The precursor to smart export payments. Under the FIT scheme, generators are usually paid a 'deemed' export of 50%, based on the assumption that they export 50% of what they generate to the grid. Smart export tariffs pay them for the actual amount of export.

FIT: Feed in Tariff – government scheme live from 2010-2019 that pays small renewable generators.

GHG Protocol, ISO 14064-3: Is an international standard for quantifying and reporting GHG emissions.

Good Energy, Group, We and Our: The Company and the Good Energy group of companies.

ISO 14001: Is an internationally agreed standard that sets out the requirements for an environmental management system. It helps organisations improve their environmental performance through more efficient use of resources and reduction of waste.

LCP Delta: Provide data-driven research and consultancy to companies navigating the energy transition.

MCS: Microgeneration Certification Scheme, an independent scheme that defines, improves and certifies quality standards for low-carbon and renewable energy technologies and installers.

POI: Point of interest data provides real-time intelligence and insights to Zapmap's EV mapping app.

PPA: Power purchase agreements in which Good Energy contracts with renewable generators to buy electricity.

RECC: The Renewable Energy Consumer Code sets high consumer protection standards for businesses selling renewable energy generation systems for domestic properties.

SME: Small and medium sized enterprises.

SVT: Standard variable tariff.

TCFD: Taskforce for Climate-related Financial Disclosures, with recommendations structured around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.



Annual Report & Accounts 2023

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