

CERO GENERATION HOLDINGS SPAIN LIMITED
(formerly Gnowee Iberia Holdings Limited)

COMPANY NUMBER 11346219

Directors' Report and Financial Statements
for the financial year ended 31 March 2021



MACQUARIE



The Company's registered office is:

Ropemaker Place
28 Ropemaker Street
London EC2Y 9HD
United Kingdom

Cero Generation Holdings Spain Limited

(formerly Gnowee Iberia Holdings Limited)

2021 Directors' Report and Financial Statements

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Cero Generation Holdings Spain Limited

(formerly Gnowee Iberia Holdings Limited)

Company Number 11346219

Directors' Report

for the financial year ended 31 March 2021

In accordance with a resolution of the directors (the "Directors") of Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited) (the "Company"), the Directors submit herewith the audited financial statements of the Company and report as follows:

As the Company meets the qualifying conditions under section 382 of the Companies Act 2006 (the "Act"), the Directors' have taken advantage of the exemption provided in section 414B (as incorporated into the Act by the Strategic Report and Directors' Report Regulations 2013) for the preparation of a Strategic Report.

Directors and Secretaries

The Directors who each held office as a Director of the Company throughout the year and until the date of this report, unless disclosed otherwise, were:

C Bouwmeester	(resigned on 13 August 2020)
P Knott	(resigned on 8 January 2021)
S Newman	(resigned on 8 January 2021)
M Edgar	(appointed on 8 January 2021)
N Harbo	(appointed on 8 January 2021 and resigned on 23 August 2021)
E Northam	(appointed on 8 January 2021)
D Privat	(appointed on 29 November 2021)

The Secretary who held office as Secretary of the Company throughout the year and until the date of this report, unless disclosed otherwise, was:

H Everitt

Principal activities

The Company is wholly owned by Cero Generation Limited, a company incorporated in the United Kingdom. The principal activity of the Company during the financial year ended 31 March 2021 was to hold investments in Spanish entities in order to source, originate, develop, construct and operate renewable energy projects.

Results

The loss for the financial year ended 31 March 2021 was €2,294,193 (2020: loss of €237,248).

Dividends

No dividends were paid or provided for during the current financial year (2020: €nil). No final dividend has been proposed.

State of affairs

During the year, as part of the internal restructure, ownership of the Company was transferred from Green Investment Group Investments Limited to Cero Generation Limited.

On 4 June 2020, the Company disposed of its 49% interest in Glide Energy S.L.

On 9 September 2020 and 12 November 2020, the Company acquired a further 30% stake in Nara Solar S.L.

There were no other significant changes in the state of affairs of the Company that occurred during the current financial year under review not otherwise disclosed in the Directors' Report.

Directors' Report

for the financial year ended 31 March 2021 (continued)

Review of operations

The loss for the financial year ended 31 March 2021 was €2,294,193, as compared to loss for the financial year ended 31 March 2020 of €237,248.

Net operating loss for the year ended 31 March 2021 was €2,971,825 as compared to a net operating loss of €370,153 in the previous year.

Total operating expenses for the year ended 31 March 2021 were €2,971,825, as compared to €370,773 in the previous year.

As at 31 March 2021, the Company had net assets of €6,598,807 (2020: €8,893,000).

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Events after the reporting date

On 15 April 2021, the Company sold its investment in BRUC Iberia Energy Investment Partners, S.L., which was categorised as Held for Sale. The Company also acquired 100% interest in Bruc SubCo II, S.L., a subsidiary of BRUC Iberia Energy Investment Partners, S.L.

At the date of this report, the Directors are not aware of any other matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2021 not otherwise disclosed in this report.

Likely developments, business strategies and prospects

Coronavirus (COVID-19):

The Novel Coronavirus (COVID-19) has had significant impacts on global economies and financial markets, led to several changes in the economy and resulted in several support actions by financial markets, governments, and regulators. The impact of COVID-19 continues to evolve and, where applicable, has been incorporated into the determination of the Company's results of operations and measurements of its assets and liabilities at the reporting date.

COVID-19 did not have a material impact on the operations of the Company during the financial period.

IBOR reform: Transition from inter-bank offered rates (IBOR) to alternative reference rates (ARRs)

IBOR are interest rate benchmarks that are used in a wide variety of financial instruments such as derivatives and lending arrangements. Examples of IBOR include 'LIBOR' (the London Inter-bank Offered Rate) and 'EURIBOR' (the Euro Inter-bank Offered Rate). Historically, each IBOR has been calculated and published daily based on submissions by a panel of banks. Over time, changes in interbank funding markets have meant that IBOR panel bank submissions have become based less on observable transactions and more on expert judgement. Financial markets' authorities reviewed what these changes meant for financial stability, culminating in recommendations to reform major interest rate benchmarks. As a result of these recommendations, many IBOR around the world are undergoing reforms.

Due to a lack of observable transactions to support robust LIBOR reference rates, LIBOR publication for the majority of currencies is expected to cease in the next financial year by 31 December 2021. To facilitate the transition of contracts from LIBOR to ARRs on an economically equivalent basis, adjustments for term and credit differences will need to be applied.

Directors' Report

for the financial year ended 31 March 2021 (continued)

Likely developments, business strategies and prospects (continued)

IBOR reform: Transition from inter-bank offered rates (IBOR) to alternative reference rates (ARRs) (continued)

During 2018, the Company's ultimate parent Macquarie Group Limited ("MGL") initiated a project, which is sponsored by its Chief Financial Officer ("CFO"), to manage the impacts of IBOR reform, including overseeing the transition from LIBOR to ARR. A group-wide steering committee was established with its key responsibility being the governance of the project. This committee includes senior executives from MGL's Operating Groups, Financial Management Group ("FMG"), Risk Management Group ("RMG"), Corporate Operations Group ("COG") and Legal and Governance team. The project is wide in scope including identification of the impact of the reform on the separate legal entities within the Consolidated MGL Group (including the Company) and implementing necessary changes in those legal entities.

As at 31 March 2021, the Company did not have any material exposures to the impacted IBOR benchmarks and is not materially impacted by the transition to ARR.

Brexit:

On 31 December 2020, the transition period relating to the withdrawal of the United Kingdom ("UK") from the European Union ("EU") (known as "Brexit") came to an end. Whilst certain elements of the future relationship between the UK and EU have been agreed under a Trade and Cooperation Agreement, a number of matters, including the cross-border provision of financial services from the UK into the EU (and vice versa), remain uncertain. The Company continues to assess the possible impacts of Brexit and its strategic options to mitigate those impacts.

The Directors believe that no other significant changes are expected other than those already disclosed in this report.

Indemnification and insurance of Directors

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 Act. The indemnity was in force throughout the last financial year and also at the date of approval of the financial statements. The ultimate parent purchased and maintained throughout the financial year Directors' liability insurance in respect of the Company and its Directors.

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "*Reduced Disclosure Framework*", and applicable law).

Under Company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, 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 Company will continue in business.

Directors' Report

for the financial year ended 31 March 2021 (continued)

Statement of Directors' responsibilities in respect of the financial statements (continued)

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

- so far as the Director is aware, there is no relevant audit information of which the 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 Company's auditors are aware of that information.

Independent auditors

Pursuant to section 487(2) of the Act, the auditors of the Company are deemed re-appointed for each financial year unless the Directors or the members of the Company resolve to terminate their appointment. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and, as at the date of these financial statements, the Directors are not aware of any resolution to terminate the appointment of the auditors.

On behalf of the Board



Matthew Edgar
Director

20 December 2021

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Financial Statements

Profit and loss account for the financial year ended 31 March 2021

	Note	2021 €	2020 €
Administrative expenses	4	(1,802,739)	(366,830)
Other operating expenses	4	(1,169,086)	(3,323)
Operating loss		(2,971,825)	(370,153)
Interest receivable and similar income	4	514,336	145,802
Interest payable and similar expenses	4	(253,039)	(188,925)
Amounts written off investments	8 & 11	-	(104,019)
Credit impairment reversals		79,868	241,521
Loss before taxation		(2,630,660)	(275,774)
Tax on loss	5	336,467	38,526
Loss for the financial year		(2,294,193)	(237,248)

The above profit and loss account should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Loss before taxation relates wholly to continuing operations.

There were no other comprehensive income and expenses other than those included in the results above and therefore no separate statement of comprehensive income has been presented.

Cero Generation Holdings Spain Limited
(formerly Gnowee Iberia Holdings Limited)
 Company Number 11346219

Balance sheet
as at 31 March 2021

	Note	2021 €	2020 €
Fixed assets			
Investments	7 & 8	9,204,178	9,699,344
Current assets			
Financial investments	9	-	-
Debtors	10	13,289,258	5,326,017
Assets classified as held for sale	11	10,038,988	1
Current liabilities			
Creditors: amounts falling due within one year	12	(7,312,760)	(6,132,362)
Net current assets/(liabilities)		16,015,486	(806,344)
Total assets less current liabilities		25,219,664	8,893,000
Creditors: amounts falling due after more than one year	13	(18,620,857)	-
Net assets		6,598,807	8,893,000
Shareholders' funds			
Called up share capital	14	10,500,100	10,500,100
Profit and loss account	15	(3,901,293)	(1,607,100)
Total shareholders' funds		6,598,807	8,893,000

The above balance sheet should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

The financial statements on pages 6 to 24 were authorised for issue by the Board of Directors on 20 December 2021 and were signed on its behalf by:



Matthew Edgar
 Director

Cero Generation Holdings Spain Limited

(formerly Gnowee Iberia Holdings Limited)

Statement of changes in equity for the financial year ended 31 March 2021

	Note	Called up share capital €	Profit and loss account €	Total shareholders' funds €
Balance as at 1 April 2019 (Restated)		100	(1,369,852)	(1,369,752)
Loss for the financial year	15	-	(237,248)	(237,248)
Total comprehensive loss		-	(237,248)	(237,248)
Transactions with equity holders in their capacity as ordinary equity holders:				
Issue of share capital	14	10,500,000	-	10,500,000
Balance as at 31 March 2020		10,500,100	(1,607,100)	8,893,000
Loss for the financial year	15	-	(2,294,193)	(2,294,193)
Total comprehensive loss		-	(2,294,193)	(2,294,193)
Balance as at 31 March 2021		10,500,100	(3,901,293)	6,598,807

The above statement of changes in equity should be read in conjunction with the accompanying notes, which form an integral part of the financial statements.

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021

Note 1. Company information

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office is Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom.

The principal activity of the Company during the financial year ended 31 March 2021 was to hold investments in Spanish entities in order to source, originate, develop, construct and operate renewable energy projects.

Note 2. Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101") and have been prepared in accordance with the provisions of the Companies Act 2006.

The financial statements contain information about the Company as an individual Company and do not contain consolidated financial information as a parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its ultimate parent Macquarie Group Limited ("MGL"), a Company incorporated in Australia.

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

(i) Going concern

As at 31 March 2021, the Company had net assets of €6,598,807 (2020: €8,893,000). The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(ii) Basis of measurement

The financial statements have been prepared in accordance with the Companies Act 2006 and under the historical cost convention except for the following items:

- financial instruments (including derivatives) required to be measured at fair value through profit or loss ("FVTPL").

(iii) Disclosure exemptions

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS").

In accordance with FRS 101, the Company has availed of an exemption from the following paragraphs of IFRS:

- The requirements of paragraph 33(c) of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' (details of cash flows of discontinued operations).
- The requirements of IFRS 7 'Financial Instruments: Disclosures'.
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The requirements of paragraphs 38 of International Accounting Standards ("IAS") 1 'Presentation of Financial Statements' to present comparative information in respect of Paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding).
- The requirements of paragraphs 10(d), 16, 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures).
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures'.
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(i) to (m), B64(n)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations' (details of business combinations completed during the period).

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 2. Basis of preparation (continued)

(iv) Critical accounting estimates and significant judgements

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company and the financial statements such as:

- judgement in timing and amount of impairment of interest in joint ventures (Note 7); and
- judgement in determination of joint control over joint ventures (Note 7).

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Management believes that the estimates used in preparing the financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from management's assumptions and estimates could require an adjustment to the carrying amounts of the reported assets and liabilities in future reporting periods.

(v) Coronavirus (COVID-19) impact

The Company's processes to determine the impact of COVID-19 for these financial statements is consistent with the processes disclosed and applied in its 31 March 2020 financial statements. Those processes identified that expected credit losses and the assessment of the impairment of non-financial assets required continued judgement as a result of the impact of COVID-19.

As there is a higher than usual degree of uncertainty associated with these assumptions and estimates, actual outcomes may differ to those forecasted which may impact the accounting estimates included in these financial statements. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods. The impact of COVID-19 has been discussed further in each of the related notes.

Processes applied

As a consequence of COVID-19 and in preparing these financial statements, management:

- re-evaluated whether there were any additional areas of judgement or estimation uncertainty beyond what has been disclosed above;
- updated its economic outlook – principally for the purposes of inputs into its ECL through the application of forward looking information, but also for input into the impairment analysis of financial and non financial asset classes and disclosures such as fair value disclosures of financial assets and liabilities;
- conducted several internal processes to ensure consistency in the application of the expected impact of COVID-19 across all asset classes;
- assessed the carrying values of its assets and liabilities and determined the impact thereon as a result of the market inputs and variables impacted by COVID-19; and
- considered the impact of COVID-19 on the Company's financial statement disclosures.

Consideration of the statements of financial position and further disclosures

Key financial statement items and related disclosures that have been impacted by COVID 19 were as follows:

Held for sale assets and liabilities

Held for sale assets and liabilities includes certain disposal groups and investments in associates and joint ventures for which the conditions precedent relating to the disposal were met subsequent to 31 March 2021. For these and other items that are classified as held for sale, the appropriateness of the held for sale classification at the reporting date was reassessed and affirmed. Further, the impact of COVID 19 on the carrying value of the assets and liabilities that were classified as held for sale was assessed. Refer to Note 11.

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 2. Basis of preparation (continued)

(v) Coronavirus (COVID-19) impact (continued)

Loans and receivables

In response to COVID 19 the Company undertook a review of amounts owed by other Macquarie entities and other financial asset exposures and the ECL for each. The review considered the macroeconomic outlook, customer credit quality, the type of collateral held, exposure at default, and the effect of payment deferral options as at the reporting date. The ECL methodology, SICR thresholds, and definition of default remained consistent with prior periods. The impact of COVID 19 on the credit risk management disclosures, notably in relation to credit quality and collateral and other credit enhancements was also considered.

Interest in joint ventures and investment in subsidiaries

The Company's investments in joint ventures and subsidiaries is diversified and has been acquired over time. When it has been assessed that there is an indicator of impairment the Company tests the carrying amount of each of its investments for impairment, by comparing the investment's recoverable amount with its carrying value. In addition to the Company assessing its investments in subsidiaries for impairment, the Company re-affirmed that there were no circumstances as a result of COVID 19 that would affect the existing control conclusion for its subsidiaries, including structured entities, nor did it highlight instances in which the Company now had control of such entities. Refer to Note 7 and 8.

(vi) **New Accounting Standards and amendments to Accounting Standards that are effective in the current financial year or have been early adopted**

The amendments to existing accounting standards that are effective for the annual reporting period beginning on 1 April 2020 did not result in a material impact to the Company's financial statements.

Note 3. Significant accounting policies

i) Foreign currency translation

Functional and presentation currency

The functional currency of the Company is determined as the currency of the primary economic environment in which the Company operates. The Company's financial statements are presented in the 'Euro' (€), which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Translation differences on financial instruments measured at fair value through profit or loss, are reported as part of the fair value gain or loss in the profit and loss account.

ii) Revenue and expense recognition

Net interest income/expense

Interest income and interest expense are recognised using the effective interest rate ("EIR") method for financial assets, and financial liabilities carried at amortised cost, and debt financial assets classified as at fair value through OCI. The EIR method calculates the amortised cost of a financial instrument at a rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability. Fees and transaction costs that are integral to the lending arrangement are recognised in the profit and loss account over the expected life (or, when appropriate, a shorter period) of the instrument in accordance with the EIR method.

When the estimates of payments or receipts of a financial instrument are subsequently revised, the carrying amount is adjusted to reflect the actual or revised cash flows with the re-measurement recognised as part of interest income (financial assets) or interest expense (financial liabilities).

The calculation of the EIR does not include ECL, except for financial assets which on initial recognition are classified as purchased or originated credit impaired (POCI). Interest income on these assets is determined using a credit adjusted EIR by discounting the estimated future cash receipts, including credit losses expected at initial recognition, through the expected life of the financial instrument to the net carrying amount of the financial asset.

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

ii) Revenue and expense recognition (continued)

Net interest income/expense (continued)

Interest income on financial assets that are not credit impaired is determined by applying the financial asset's EIR to the financial asset's gross carrying amount. Interest income on financial assets that are not classified as POCI but are subsequently classified as credit impaired (stage 3), is recognised by applying the EIR to the amortised cost carrying value (being the gross carrying value after deducting the impairment loss).

Interest income and expense on financial assets and liabilities that are classified as FVTPL is accounted for on a contractual rate basis.

Other operating income/(expenses)

Other operating income/(expenses) comprises of net trading income, investment income, and other income.

Net trading income comprises gains and losses related to trading assets/liabilities and derivatives including all realised and unrealised fair value changes, dividends and foreign exchange differences.

Investment income includes gains and losses arising from subsequent changes in the fair values of equity and debt investment securities at fair value through profit or loss and dividends or distributions on these securities which represent the return on such investments. Impairment losses/ reversal of impairment losses on these financial assets are not reported separately from other changes in fair value.

Gains or losses on the change of control, joint control and/or significant influence and reclassifications to/from held for sale also forms part of investment income.

Expenses

Expenses are recognised in the profit and loss account as and when the provision of services is received.

Fee expense

Management fees and cost recoveries are charged to the Company in respect of services provided by other Macquarie group entities as per the agreed cost sharing arrangement. Such expenses are recognised on an accrual basis in accordance with the standard recovery methodology applied by the servicing entity.

iii) Taxation

The balance sheet approach to tax effect accounting has been adopted whereby the income tax expense for the financial year is the tax payable on the current year's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised when temporary differences arise between the tax basis of assets and liabilities and their respective carrying amounts which give rise to a future tax benefit, or when a benefit arises due to unused tax losses. In both cases, deferred tax assets are recognised only to the extent that it is probable that future taxable amounts will be available against which to utilise those temporary differences or tax losses.

Deferred tax liabilities are recognised when such temporary differences give rise to taxable amounts that are payable in future periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered, or the liabilities are settled under enacted or substantively enacted tax law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and liabilities are offset when there is a legally enforceable right to offset and an intention to either settle on a net basis or realise the asset and settle the liability simultaneously.

The Company exercises judgement in determining whether deferred tax assets, particularly in relation to tax losses, are probable of recovery.

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

iii) Taxation (continued)

Factors considered include the ability to offset tax losses, the nature of the tax loss, the length of time that tax losses are eligible for carry forward to offset against future taxable profits and whether future taxable profits are expected to be sufficient to allow recovery of deferred tax assets.

The Company undertakes transactions in the ordinary course of business where the income tax treatment requires the exercise of judgement. The Company estimates the amount expected to be paid to/ (recovered from) tax authorities based on its understanding and interpretation of the law. Uncertain tax positions are presented as current or deferred tax assets or liabilities with reference to the nature of the underlying uncertainty.

Value-Added Tax (VAT)

Where VAT is not recoverable from tax authorities, it is either capitalised to the balance sheet as part of the cost of the related asset or is recognised as a part of other operating expenses in the profit and loss account. Where VAT is recoverable from or payable to tax authorities, the amount is recorded as a separate asset or liability in the balance sheet.

iv) Financial instruments

Recognition of financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is initially recognised at fair value adjusted for (in the case of instruments not carried at FVTPL) transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument. Transaction costs relating to financial instruments carried at FVTPL are recorded in the profit and loss account.

The best evidence of a financial instrument's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only inputs from observable markets. Where such alternative evidence exists, the Company recognises profit or loss immediately when the instrument is recognised ('day 1 profit or loss'). When significant unobservable inputs are used to determine fair value, the day 1 profit or loss is deferred and is recognised in the profit and loss account over the life of the transaction or when the inputs become observable.

Financial instruments arising in multiple transactions are accounted for as a single arrangement if this best reflects the substance of the arrangement. Factors considered in this assessment include whether the financial instruments:

- are entered into at the same time and in contemplation of one another
- have the same counterparty
- relate to the same risk
- there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction, or
- consideration of whether each of the financial instruments has its own terms and conditions and each may be transferred or settled separately.

Derecognition of financial instruments

Financial assets

Financial assets are derecognised from the balance sheet when:

- the rights to cash flows have expired; or
- the Company has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset.

A financial asset is transferred if, and only if, the Company i) transfers the contractual rights to receive the cash flows of the financial asset, or ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where:

- the Company is not obligated to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- the Company is prohibited from selling or pledging the original asset other than as security to the eventual recipients; and
- the Company is obligated to remit any cash flows it collects on behalf of the eventual recipients without material delay.

Cero Generation Holdings Spain Limited

(formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

iv) Financial instruments (continued)

In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. Any interest in the transferred and derecognised financial asset that is created or retained by the Company is recognised as a separate asset or liability.

In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement as determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

Financial liabilities are de-recognised from the balance sheet when the Company's obligation has been discharged, cancelled or has expired.

Classification and subsequent measurement

Financial assets

Financial assets are classified based on the business model within which the asset is held and on the basis of the financial asset's contractual cash flow characteristics.

Business model assessment

The Company determines the business model at the level that reflects how groups of financial assets are managed. In determining the business model, all relevant evidence that is available at the date of the assessment is used including:

- (i) how the performance of the financial assets held within that business model is evaluated and reported to the Macquarie Group's senior management personnel and senior executives;
- (ii) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- (iii) how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

Solely payment of principal and interest ("SPPI")

The contractual cash flows of a financial asset are assessed to determine whether these represent SPPI on the principal amount outstanding. This includes an assessment of whether cash flows primarily reflect consideration for the time value of money and credit risk of the principal outstanding. Interest may also include consideration for other basic lending risks and costs.

Amortised cost

A financial asset is subsequently measured at amortised cost using the EIR method where:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements, and
- (iii) the financial asset has not been designated to be measured at FVTPL ("DFVTPL").

Interest income determined in accordance with the EIR method is recognised as part of interest and similar income.

Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria to be measured at amortised cost is subsequently measured at FVTPL.

For the purposes of the Company's financial statements, the FVTPL classification consists of the following:

- financial assets that are held for active trading (HFT), which are measured at FVTPL. This classification includes all derivative financial assets, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVTPL
- financial assets in a business model whose objective is achieved by managing the financial assets on a fair value basis in order to realise gains and losses as opposed to a business model in which the objective is to collect contractual cash flows (FVTPL)
- financial assets that fail the SPPI test (FVTPL), and
- financial assets that have been designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch (DFVTPL).

Equity financial assets that are not held for active trading are measured at FVTPL. Subsequent changes in fair value are recognised as investment income within other operating income and charges.

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

iv) Financial instruments (continued)

Fair value through profit or loss ("FVTPL") (continued)

Subsequent changes in the fair value of debt financial assets are measured at FVTPL are presented as follows:

- changes in the fair value of financial assets that are classified as HFT and financial assets managed on a fair value basis are recognised in net trading income.
- changes in the fair value of debt financial investments and loans to associates and joint ventures that fail SPPI are recognised in investment income as part of other operating income and charges.
- changes in the fair value of all other FVTPL and DFVTPL financial assets are recognised as part of other income and charges within other operating income and charges.

Where applicable, the interest component of financial assets is recognised as interest and similar income.

Reclassification of financial instruments

The Company reclassifies debt financial assets when and only when its business model for managing those assets changes. Financial assets that are reclassified are subsequently measured based on the financial asset's new measurement category.

The Company does not reclassify financial liabilities after initial recognition.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost, unless they are either HFT, or have been designated to be measured at FVTPL (DFVTPL). A financial liability may be DFVTPL if:

- such a designation eliminates or significantly reduces an accounting mismatch that would otherwise have arisen
- a group of financial liabilities, or financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- the liability contains embedded derivatives which must otherwise be separated and carried at fair value.

All derivative liabilities are classified as HFT, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVTPL.

Changes in the fair value of financial liabilities that are not classified as HFT are, with the exception of changes in fair value relating to changes in the Company's own credit risk that are presented separately in OCI and are not subsequently reclassified to profit or loss, are recognised in other income and charges as part of other operating income and charges.

Where applicable, the interest component of financial liabilities is recognised as interest and similar expense.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported on the balance sheet when there is a legally enforceable right to offset the amounts and either there is an intention to settle on a net basis or realise the financial asset and settle the financial liability simultaneously.

v) Investments

Investment in subsidiaries

Subsidiaries are all those entities (including structured entities) over which the Company has the power to direct the relevant activities of the entity, exposure, or rights, to significant variable returns and the ability to utilise power to affect the Company's own returns.

The determination of control is based on current facts and circumstances and is continuously assessed. The Company has power over an entity when it has existing substantive rights that provide it with the current ability to direct the entity's relevant activities, being those activities that significantly affect the entity's returns. The Company also considers the entity's purpose and design. If the Company determines that it has power over an entity, the Company then evaluates its exposure, or rights, to variable returns by considering the magnitude and variability associated with its economic interests.

All variable returns are considered in making that assessment including, but not limited to, debt or equity investments, guarantees, liquidity arrangements, variable fees and certain derivative contracts.

Subsidiaries held by the Company are carried in its financial statements at cost less impairment in accordance with *IAS 27 Separate Financial Statements*.

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

v) Investments (continued)

Interest in joint ventures

Joint ventures are entities, over which the Company has significant influence or joint control, but not control, are carried at cost in accordance with *IAS 27 Separate Financial Statements*.

The Company determines the dates of obtaining or losing significant influence or joint control of another entity based on an assessment of all pertinent facts and circumstances that affect the ability to significantly influence the financial and operating policies or jointly control the relevant activities of that entity. Facts and circumstances that have the most impact include the contractual arrangements agreed with the counterparty, the manner in which those arrangements are expected to operate in practice, and whether regulatory approval is required (including the nature of such approval). The acquisition or disposal date does not necessarily occur when the transaction is closed or finalised under law.

vi) Financial investments

Investment securities in this category include investments in debt securities which are not actively traded by the Company.

Debt investment securities in this category comprise other debt securities.

Financial investments are initially recognised on trade date at fair value (adjusted for directly attributable transaction costs for debt investments subsequently measured at FVOCI) and subsequently measured in accordance with Note 3(iv) *Financial Instruments*.

vii) Non-current assets and liabilities of disposal groups classified as held for sale

This category includes assets and disposal groups (groups of assets to be disposed in a single transaction and directly attributable liabilities) for which the carrying amount will be recovered principally through a sale or distribution transaction rather than continuing use. This includes assets and liabilities of businesses and subsidiaries, associates and joint ventures, other assets and liabilities, and subsidiaries that are acquired exclusively with a view to sell or distribute.

These assets and disposal groups are classified as held for sale when they are available for immediate sale in their present condition and the sale or distribution is highly probable, including that the sale or distribution is expected to occur within 12 months. Where there is a planned partial disposal of a subsidiary resulting in loss of control, but the Company retains an interest in the disposed subsidiary, the entire carrying value of the subsidiary's assets and liabilities are classified as held for sale.

Non-current assets and liabilities of disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Equity accounting, depreciation and amortisation is suspended when the held for sale criteria is satisfied.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell and is recognised in other impairment charges/reversal. A gain is recognised for any subsequent increase in fair value less costs to sell, limited to the cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale is recognised at the date of sale.

Financial assets and liabilities that are classified as held for sale are measured in accordance with the Company's financial instruments' policies.

viii) Provisions and contingent liabilities

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present legal or constructive obligation that has arisen as a result of past events and for which a reliable estimate can be made.

Contingent liabilities, which generally include letters of credit, indemnities, performance -related contingents and guarantees (other than financial guarantees) are not recognised in the financial statements but are disclosed in the notes to the financial statements unless they are considered remote.

ix) Due to/from related entities

Transactions between the Company and its related entities, including its parent and subsidiaries, principally arise from the granting of loans and funding and are measured at amortised cost. Refer to Note 3(ii) Revenue and expense recognition and Note 3(iv) Financial instruments.

Financial assets and financial liabilities are presented net where the offsetting requirements are met (Note 3(iv)), such that the net amount is reported in the balance sheet.

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

x) Impairment

Expected credit losses ("ECL")

The ECL requirements apply to financial assets measured at amortised cost and FVOCI, and amounts receivable from contracts with customers. The Company applies a three-stage approach to measuring the ECL based on changes in the financial asset's underlying credit risk and includes forward-looking or macroeconomic information ("FLI").

The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions. Outcomes within the next financial period that are different from management's assumptions and estimates could result in changes to the timing and amount of ECL to be recognised.

The ECL is determined with reference to the following stages:

(i) Stage I – 12 month ECL

At initial recognition, and for financial assets for which there has not been a significant increase in credit risk ("SICR") since initial recognition (or for those financial assets for which the credit risk is considered to be low), ECL is determined based on the PD over the next 12 months and the lifetime losses associated with such PD, adjusted for FLI.

(ii) Stage II – Lifetime ECL not credit-impaired

When there has been a SICR since initial recognition, the ECL is determined with reference to the financial asset's life-time PD and the lifetime losses associated with that PD, adjusted for FLI. The Company applies its judgement in determining whether there has been a SICR since initial recognition based on qualitative, quantitative, and reasonable and supportable information that includes FLI.

Use of alternative criteria could result in significant changes to the timing and amount of ECL to be recognised. Lifetime ECL is generally determined based upon the contractual maturity of the financial asset. For revolving facilities, the Company exercises judgement based on the behavioural, rather than contractual characteristics of the facility type.

(iii) Stage III – Lifetime ECL credit-impaired

Financial assets are classified as stage III where they are determined to be credit impaired. This includes exposures that are at least 90 days past due and where the obligor is unlikely to pay without recourse against available collateral.

The ECL for credit impaired financial assets is generally measured as the difference between the contractual and expected cash flows from the individual exposure, discounted using the EIR for that exposure. For credit-impaired exposures that are modelled collectively, ECL is measured as the product of the lifetime PD, LGD and EAD, adjusted for FLI.

Presentation of loss allowances

The loss allowances for ECL are presented in the balance sheet as follows:

- Loans to joint ventures measured at amortised cost – as a deduction to the gross carrying amount.
- Other assets measured at amortised cost – as a deduction to the gross carrying amount.
- Undrawn credit commitments – as a provision included in creditors.

When the Company concludes that there is no reasonable expectation of recovering cash flows from the financial asset, and all possible collateral has been realised, the financial asset is written off, either partially or in full, against the related provision. Recoveries of loans previously written off are recorded based on the cash received.

Impairment of interests in joint ventures

The Company performs an assessment at each reporting date to determine whether there is any objective evidence that its interests in joint ventures are impaired. The main indicators of impairment are significant changes in the market, economic or legal environment and a significant or prolonged decline in fair value below cost.

In making this judgement, the Company evaluates, among other factors, the normal volatility in share price and the period of time for which fair value has been below cost. If there is an indication that an investment in a joint venture may be impaired, then the entire carrying amount of the investment in the joint venture is tested for impairment by comparing the recoverable amount, being the higher of value in use and fair value less costs to sell, with its carrying amount.

Impairment losses recognised in the profit and loss account for investments in joint ventures are subsequently reversed through the profit and loss account if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognised. The impairment losses (reversal of impairments) on investment in associates and joint ventures are recognised in the profit and loss account as part of other impairment charges/reversal.

Cero Generation Holdings Spain Limited

(formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

x) Impairment (continued)

Fair value less costs to sell is estimated using market based approaches using revenues, earnings and assets under management and multiples based on companies deemed comparable as well as other publicly available information relevant to the business.

Value in use is calculated using pre-tax cashflow projections of operating revenue and expenses. Forecasts are extrapolated using a growth rate and discounted using a discount rate incorporating market risk determinants, adjusted for specific risks related to the cash generating units, if any, and the environment in which it operates.

Impairment of investments in subsidiaries

Investments in subsidiaries in the Company's financial statements are reviewed annually for indicators of impairment or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount, being the higher of fair value less costs to sell and value in use. At each reporting date, investments in subsidiaries that have been impaired are reviewed for possible reversal of impairment. The amount of any reversal of impairment recognised must not cause the investment's carrying value to exceed its original cost.

xi) Changes in ownership interests

When acquiring additional interests of a financial asset (such that it becomes an associate, joint venture or subsidiary) or an investment in an associate or joint venture (such that it becomes a subsidiary), where the underlying entity constitutes a business, previously held interests are revalued to their fair value and any gain or loss is recognised in investment income as part of other operating income and charges.

Similarly, when selling ownership interests of a subsidiary (such that control is lost), or an investment in an associate or joint venture, retained ownership interests are revalued to their current fair value and any gain or loss is recognised in investment income as part of other operating income and charges. Retained ownership interests are not revalued where the sale represents a contribution to an associate or joint venture.

xii) Called up share capital

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

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

	2021 €	2020 €
Note 4. Loss before taxation		
Loss before taxation is stated after (charging)/crediting:		
Administrative expenses		
Legal fees, consulting fees and other professional fees	(911,901)	(178,548)
Service fees paid to other Macquarie Group undertakings	(812,517)	(145,023)
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company ⁴	(62,401)	(39,952)
Resource charge from Macquarie Group undertakings	(2,949)	(2,120)
Other expenses	(12,971)	(1,187)
Total administrative expenses	(1,802,739)	(366,830)
Interest		
Interest receivable and similar income from: ¹		
Other Macquarie Group undertakings	107,686	132,697
Other than Macquarie Group undertakings	406,650	13,105
Total interest receivable and similar income	514,336	145,802
Interest payable and similar expenses to: ²		
Other Macquarie Group undertakings	(253,039)	(188,925)
Total interest payable and similar charges	(253,039)	(188,925)
Other operating expenses		
Foreign exchange losses	(9,086)	(3,943)
Service fees received from other Macquarie Group undertakings	-	620
Net loss on debt investment ³	(1,160,000)	-
Total other operating expenses	(1,169,086)	(3,323)
¹ Includes interest income calculated using effective interest method of €107,686 (2020: €132,697) on the financial assets in the Company that are measured at amortised cost and €419,618 (2020: €13,105) on the financials assets measured at FVTPL.		
² Includes interest expense of €253,039 (2020: €188,925) on the financial liabilities measured at amortised cost.		
³ Fair value losses from debt investment that has been classified as FVTPL.		
⁴ Fees payable to the Company's auditors for current year includes €27,149 relating to previous year.		
The Company had no employees during the current and previous financial year.		
Note 5. Tax on loss		
(i) Tax expense included in loss		
Current tax		
UK corporation tax at 19%	387,977	31,460
Adjustments to tax in respect of prior periods	(51,510)	7,066
Total current tax	336,467	38,526

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

	2021 €	2020 €
Note 5. Tax on loss (continued)		
(ii) Reconciliation of effective tax rate		
The income tax credit for the period is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:		
Loss before taxation	(2,630,660)	(275,774)
Current tax credit at 19% (2020: 19%)	499,825	52,397
Effect(s) of:		
Adjustment in respect of prior periods	(51,510)	(20,326)
Expenses not deductible for tax purposes	(111,848)	7,066
Others	-	(611)
Total tax on loss	336,467	38,526

The UK Government announced in the Budget on 3 March 2021 that the main rate of corporation tax will increase to 25% for the financial year beginning 1 April 2023. Prior to this date, the rate of corporation tax will remain at 19%. The increase to 25% rate was not substantively enacted at 31 March 2021, therefore the company has continued to measure deferred tax balances at 19%. The company has estimated that the increase to 25% would increase the company's deferred tax assets by NIL.

Note 6. Investments

Interests in joint ventures (Note 7)	9,201,168	9,696,334
Financial investments (Note 9)	-	-
Investment in subsidiaries (Note 8)	3,010	3,010
Total Investments	9,204,178	9,699,344

Note 7. Interests in joint ventures

Equity investments with no provisions for impairment	4,000,000	8,505,230
Total equity investments in joint ventures	4,000,000	8,505,230

Loans to joint venture ¹	5,201,168	1,191,104
Total loans to joint ventures	5,201,168	1,191,104
Total interests in joint ventures²	9,201,168	9,696,334

¹As at 31 March 2021, this balance represents a loan provided to Nara Solar, S.L. €5,201,168 (2020: €nil). Balance as at 31 March 2020 represented a loan provided to BRUC Iberia Energy Investment Partners, S.L, which has been treated as Held for sale in the current financial year.

²Financial statements of joint ventures have various reporting dates which have been adjusted to align with the Company's reporting date.

The Company holds an 80% interest (2020:50%) in Nara Solar, S.L (develops solar energy projects) and a 50% (2020:50%) interest in BRUC Iberia Energy Investment Partners, S.L (acts as a holding company). They are both accounted for as interests in joint ventures on the basis of exercising significant influence through their advisory contracts, Board representation and secondment of key management. The carrying value of the investment in joint ventures represents the recoverable value of the Company's share as determined on the basis of its fair value.

Summarised information of certain interests in material associates and joint ventures are as follows:

Name of joint venture	Principal activity	Ownership interest	
		2021 %	2020 %
Nara Solar, S.L. ¹	Developer of solar energy projects	50	50
Glide Energy, S.L. ²	Infrastructure	-	49
BRUC Iberia Energy Investment Partners, S.L	Holding company	50	50

¹On 9 September 2020 and 12 November 2020, the Company acquired a further 30% stake in Nara Solar S.L. under the Sale and Repurchase agreement.

²The Company sold its investments in Glide Energy, S.L as at 31 March 2021.

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

	2021 €	2020 €
Note 8. Investments in subsidiaries		
Investments at cost with no provisions for impairment	3,010	3,010
Investments at cost with provisions for impairment	6,020	6,020
Less provisions for impairment ¹	(6,020)	(6,020)
Investments with provisions for impairment	-	-
Total investments in subsidiaries	3,010	3,010

¹In accordance with the Company's accounting policies the Company reviewed its investments in subsidiaries for indicators of impairment. Where its investments had indicators of impairment, the investments' carrying value was compared to its recoverable value which was determined to be its fair value less costs to sell (valuation).

The material subsidiaries of the Company, based on contribution to the Company's profit after income tax, the size of the investment made by the Company or the nature of activities conducted by the subsidiary, are:

Name of subsidiary	Nature of business	Place of incorporation	2021 % ownership	2020 % ownership	2021 €	2020 €
Paseta Servicios Empresariales, S.L.	Investment company	Avenida Felipe II Numero 17,1st Floor, 28009 Madrid, Spain	100	100	3,010	3,010
Ticopa Servicios Empresariales, S.L.	Investment company	Avenida Felipe II Numero 17,1st Floor, 28009 Madrid, Spain	100	100	-	-
Tencata Servicios Empresariales, S.L.	Investment company	Avenida Felipe II Numero 17,1st Floor, 28009 Madrid, Spain	100	100	-	-
Total investments in subsidiaries					3,010	3,010

All material subsidiaries have a 31 March reporting date.

	2021 €	2020 €
Note 9. Financial investments		
Debt securities		
Corporate loans and securities - Gross carrying value ¹	1,160,000	-
FVTPL revalue	(1,160,000)	-
Total financial investments	-	-

¹Balance as at 31 March 2021 represents €1,160,000 (2020: €nil) of debt securities, which has been FVTPL revalued to €nil, which are not subject to impairment under IFRS 9. It represents a Working Capital Loan Agreement entered into by the Company as lender and Glide Energy S.L. as borrower.

Note 10. Debtors		
Amounts owed by other Macquarie Group undertakings ¹	8,454,176	5,222,440
Taxation	387,976	103,577
Other debtors	1	-
Prepayments	4,447,105	-
Total debtors	13,289,258	5,326,017

¹Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans to group undertakings at LIBOR rates.(2020: LIBOR plus 1.74% and LIBOR plus 2.45%).

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

	2021 €	2020 €
Note 11. Assets classified as held for sale		
Gross carrying value ¹		
Loan to Joint Venture	3,827,758	-
Equity interest in Joint Venture	6,211,230	98,000
Less: provisions for impairment	-	(97,999)
Total assets classified as held for sale	10,038,988	1

¹Balance as at 31 March 2021 represents BRUC Iberia Energy Investment Partners, S.L which was a 50% Joint Venture of the Company. The sale purchase agreement was executed on 15 April 2021.

Note 12. Creditors: amounts falling due within one year		
Amounts owed to other Macquarie Group undertakings ¹	7,300,218	6,055,029
ECL allowance on undrawn commitments	-	77,333
Other provisions	12,542	-
Total creditors : amounts falling due within one year	7,312,760	6,132,362

¹Amount due to other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company incurs interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2021 the rate applied was LIBOR plus 1.94% (2020: LIBOR plus 2.86%).

Note 13. Creditors: amounts falling due after more than one year		
Amounts owed to other Macquarie Group undertakings ¹	18,620,857	-
Total creditors : amounts falling due after more than one year	18,620,857	-

¹Amount due to other Macquarie Group undertakings are unsecured and have a maturity date of 18 February 2027. The Company incurs interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2021 the rate applied was LIBOR plus 1.94%.

Note 14. Called up share capital

	2021 number of shares	2020 number of shares	2021 €	2020 €
Opening balance of fully paid ordinary shares at €1 per share	10,500,100	100	10,500,100	100
Issue of 10,500,000 ordinary shares on 5 April 2019 at €1 per share	-	10,500,000	-	10,500,000
Closing balance of fully paid ordinary shares at €1 per share	10,500,100	10,500,100	10,500,100	10,500,100
Issued share capital				
Ordinary shares at €1 per share			10,500,100	10,500,100
Total issued share capital			10,500,100	10,500,100

Note 15. Profit and loss account

	2021 €	2020 €
Profit and loss account		
Balance at the beginning of the financial year	(1,607,100)	(1,369,852)
Loss for the financial year	(2,294,193)	(237,248)
Balance at the end of the financial year	(3,901,293)	(1,607,100)

Cero Generation Holdings Spain Limited

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Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 16. Related party information

As 100% of the voting rights of the Company are controlled within the group headed by MGL, incorporated in Australia, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the Macquarie Group. The consolidated financial statements of MGL, within which the Company is included, can be obtained from the address given in Note 19.

The Master Loan Agreement (the "MLA") governs the funding arrangements between various subsidiaries and related body corporate entities which are under the common control of MGL and have acceded to the MLA. During the current financial year, the Tripartite Outsourcing Major Services Agreement (TOMSA) became effective governing the provision of intra-group services between subsidiaries and related body corporate entities other than certain excluded entities.

Relationships with an entity which is not a party to the MLA have been presented on a gross basis.

Investments held by Company's subsidiaries:

Details of holdings by related party undertakings are as below:

Name of related party	Registered office	% ownership	Class of shares
Subsidiaries of Tencata Servicios Empresariales, S.L.:			
Encina New Energy S.L.	Spain ¹	80%	Ordinary
Ficus Solar PV, S.L.	Spain ¹	80%	Ordinary
Manzano Solar PV, S.L.	Spain ¹	80%	Ordinary
Solar-PV EXT 001 Sociedad Limitada	Spain ²	80%	Ordinary
Subsidiaries of Ticopa Servicios Empresariales, S.L.:			
Sabina Solar PV S.L.	Spain ¹	80%	Ordinary
Abeto New Energy S.L.	Spain ¹	80%	Ordinary
Loto Solar PV, S.L.	Spain ¹	80%	Ordinary
Magnolia Solar PV, S.L.	Spain ³	80%	Ordinary
Sauce New Energy, S.L.	Spain ¹	80%	Ordinary
Olivo New Energy S.L.	Spain ¹	80%	Ordinary

¹The registered office is Paseo Del Club Deportivo 1 - Somosaguas, ED. 06 A, Parque Empresarial La Finca, Plantapozuelo De Alarcon, 28223, Madrid, Spain.

²The registered office is Calle Boabdil, Numero 4, Edificio Vega 6, 2 a Planta, Parque Empresarial Vega Del Rey-CP 41900, Camas Sevilla, Spain.

³The registered office is Paseo Del Club Deportivo 1 - Somosaguas, ED. 06 A, planta 1a, Parque Empresarial La Finca, Plantapozuelo De Alarcon, 28223, Madrid, Spain.

Interests in Joint ventures:

Transactions between the Company and its joint ventures principally arise from equity investments, the granting of loans, and related interest income.

Detail of transactions with other related parties are as below:

	2021	Restated 2020
	€	€
Nara Solar, S.L		
<i>Lending</i>		
Interest income during the year	223,497	-
Loans issued during the year	5,482,398	-
Loans repaid during the year	(504,727)	-
Outstanding balance at year end	5,201,168	-
<i>Equity funding</i>		
Amounts advanced during the year	-	-
Total equity interest at year end	4,000,000	4,000,000

Cero Generation Holdings Spain Limited (formerly Gnowee Iberia Holdings Limited)

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 16. Related party information (continued)

Interests in Joint ventures (continued):

	2021 €	Restated 2020 €
BRUC Iberia Energy Investment Partners, S.L		
<i>Lending</i>		
Interest income during the year	183,153	13,105
Loans issued during the year	2,453,501	1,177,999
Outstanding balance at year end	3,827,758	1,191,104
<i>Equity funding</i>		
Amounts advanced during the year	1,706,000	2,354,500
Total equity interest at year end	6,211,230	4,505,230

The above related party transactions disclosures for financial year 2020 were omitted from the financial year 2020 financial statements. These disclosures for 31 March 2020 have been included for comparative purposes.

Note 17. Directors' remuneration

During the financial years ended 31 March 2021 and 31 March 2020, all Directors, were employed by and received all emoluments from other Macquarie Group undertakings. The Directors perform Directors' duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation accurately across all these duties would not be meaningful.

Note 18. Contingent liabilities and commitments

The Company provided a loan facility to Nara Solar, S.L for €3,000,000 and a loan facility to Bruc Iberia Energy Investment Partners, S.L for €4,313,618. The loan facility provided to Bruc Iberia Energy Investment Partners, S.L had an undrawn amount of €682,119 as at year end. The loan facility to Nara Solar, S.L was drawn down and repaid for €500,000 during the current financial year and is completely undrawn at period end.

The Company has no other commitments or contingent liabilities which are individually material or a category of commitments or contingent liabilities which are material.

Note 19. Ultimate parent undertaking

At 31 March 2021, the immediate parent undertaking of the Company is Cero Generation Limited.

The ultimate parent undertaking and controlling party of the Company is MGL. The largest group to consolidate these financial statements is MGL, a company incorporated in Australia. The smallest group to consolidate these financial statements is Macquarie Financial Holdings Pty Limited ("MFHPL"), a company incorporated in Australia. Copies of the consolidated financial statements for MGL and MFHPL can be obtained from the Company Secretary, Level 6, 50 Martin Place, Sydney, New South Wales, 2000, Australia.

Note 20. Events after the reporting period

On 15 April 2021, the Company sold its investment in BRUC Iberia Energy Investment Partners, S.L., which was categorised as Held for Sale. The Company also, acquired an 100% interest in Bruc SubCo II, S.L., a subsidiary of BRUC Iberia Energy Investment Partners, S.L.

There were no other material events subsequent to 31 March 2021 and up until the authorisation of the financial statements for issue, that have not been reflected in the financial statements.

Independent auditors' report to the members of Cero Generation Holdings Spain Limited

Report on the audit of the financial statements

Opinion

In our opinion, Cero Generation Holdings Spain Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and Financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2021; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential for manual journal entries being recorded in order to manipulate financial performance, and applying management bias in the determination of accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including review of meeting minutes in so far as they relate to the financial statements, and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Incorporating an element of unpredictability into the nature, timing and/or extent of our testing;

- Challenging assumptions and judgements made by management in their significant accounting judgements, particularly in relation to judgement in the timing and amount of impairment of interests in joint ventures and judgement in the determination of joint control over joint ventures; and
- Applying risk-based criteria to all journal entries posted in the audit period, including consideration of backdated entries, post-close entries and those journals posted by a defined group of unexpected users.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

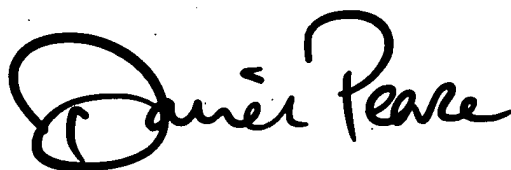
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Daniel Pearce (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 December 2021