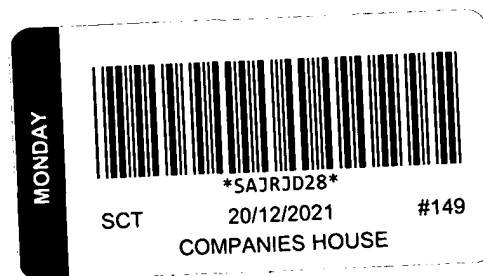


# **GREEN INVESTMENT GROUP INVESTMENTS LIMITED**

**COMPANY NUMBER SC576143**

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



The Company's registered office is:

Atria One  
144 Morrison Street  
Edinburgh, EH3 8EX  
United Kingdom

COMPANIES HOUSE

**20 DEC 2021**

EDINBURGH MAILBOX

---

# Green Investment Group Investments Limited

Company Number SC576143

---

## 2021 Strategic Report, Directors' Report and Financial Statements Contents

	Page
<b>Strategic Report</b>	<b>2</b>
<b>Directors' Report</b>	<b>5</b>
<b>Financial Statements</b>	
Profit and loss account	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements:	
Note 1. Company information	15
Note 2. Basis of preparation	15
Note 3. Significant accounting policies	17
Note 4. Profit before taxation	26
Note 5. Tax on profit	27
Note 6. Investments	27
Note 7. Investments in subsidiaries	27
Note 8. Interests in associates and joint ventures	28
Note 9. Debtors: amounts falling due after more than one year	28
Note 10. Debtors: amounts falling due within one year	28
Note 11. Expected credit losses	29
Note 12. Creditors: amounts falling due within one year	30
Note 13. Creditors: amounts falling due after more than one year	30
Note 14. Called up share capital	30
Note 15. Profit and loss account	30
Note 16. Capital management strategy	30
Note 17. Related party information	31
Note 18. Contingent liabilities and commitments	34
Note 19. Directors' remuneration	34
Note 20. Ultimate parent undertaking	34
Note 21. Events after the reporting date	35
<b>Independent Auditors' Report to the members of Green Investment Group Investments Limited</b>	<b>36</b>

### Strategic Report for the financial year ended 31 March 2021

In accordance with a resolution of the directors (the "Directors") of Green Investment Group Investments Limited (the "Company"), the Directors submit herewith the Strategic Report of the Company as follows:

#### Principal activities

The principal activities of the Company during the financial year ended 31 March 2021 are the making and selling of investments and loans which give effect to its green objective as set out in its Articles of

#### Review of operations

The profit for the financial year ended 31 March 2021 was £23,403,000, a decrease of 68 per cent from the profit of £72,273,000 in the previous year. This decrease in profit is largely contributed by the decrease in net gain on sale of investments from £91,840,000 in 2020 to £31,954,000 in 2021.

Total operating profit for the financial year ended 31 March 2021 was £20,474,000, a decrease of 70 per cent from the profit of £68,973,000 in the previous year.

As at 31 March 2021, the Company had net assets of £368,696,000 (2020: £345,293,000).

#### Principal risks and uncertainties

The Company is responsible for its own risk acceptance decisions. From the perspective of the Company, the principal risks are market risk, credit risk and liquidity risk. The material risks of the Company are monitored by the relevant division of the Risk Management Group ("RMG") of the Macquarie Group. There are currently no plans to substantially change the nature of the business going forward.

The range of factors that may influence the Company's short-term outlook include:

- the duration of COVID-19, speed of the global economic recovery and extent of government support for economies
- market conditions including significant volatility events and the impact of geopolitical events
- potential tax or regulatory changes and tax uncertainties
- completion of period-end reviews and the completion rate of transactions
- the geographic composition of income and the impact of foreign exchange.

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 remain uncertain. The Company continues to assess the possible impacts of Brexit and its strategic options to mitigate those impacts. As at this point in time, there has not been a significant financial impact on the Company.

The continued impact and uncertainty surrounding the Novel Coronavirus (COVID-19) pandemic was monitored during the year for the Company by RMG. There was no significant financial impact and the Company has continued to operate effectively throughout the pandemic.

The Company is not subject to any other material risks or uncertainties, over and above those stated.

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

## **Strategic Report**

### **for the financial year ended 31 March 2021 (continued)**

#### **Financial risk management**

Risk is an integral part of the Macquarie Group's businesses. The Company is exposed to a variety of financial risks that include the effects of credit risk, liquidity risk, operational risk, market risk and exposure to the performance of its subsidiaries. Additional risks faced by the Company include legal, compliance and documentation risk. Responsibility for management of these risks lies with the individual businesses giving rise to them. It is the responsibility of the Risk Management Group ("RMG") to ensure appropriate assessment and management of these risks.

As an indirect subsidiary of Macquarie Group Limited ("MGL"), the Company manages risk within the framework of the overall strategy and risk management structure of the Macquarie Group. RMG is independent of all other areas of the Macquarie Group, reporting directly to the Managing Director and the Board of MGL. The Head of RMG is a member of the Executive Committee of MGL. RMG authority is required for all material risk acceptance decisions. RMG identifies, quantifies and assesses all material risks and sets prudential limits. Where appropriate, these limits are approved by the Executive Committee and the Board of MGL. The risks to which the Company are exposed are managed on a globally consolidated basis for MGL as a whole, including all subsidiaries, in all locations.

#### **Credit Risk**

Credit risk is the risk that a counterparty will fail to complete its contractual obligations when they fall due. Credit exposures, approvals and limits are controlled with the Macquarie Group's credit framework, as established by RMG.

#### **Liquidity Risk**

Liquidity risk is the risk of an entity encountering difficulty in meeting obligations with financial liabilities. The Directors have adopted the risk model used by the Macquarie Group, as approved by RMG. This model is incorporated into the Macquarie Group's risk management systems to enable the Company to manage this risk effectively.

#### **Interest rate risk**

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include receivables from other Macquarie Group undertakings, all of which earn a variable rate of interest. Interest bearing liabilities include payables to other Macquarie Group undertakings, which also incur a variable rate

#### **Foreign exchange risk**

The Company has foreign exchange exposures which include amounts receivable from and payable to other Macquarie Group undertakings and external parties which are denominated in non-functional currencies. Any material non-functional currency exposures are managed by applying a group wide process of minimising exposure at an individual Company level.

#### **Operational risk**

The Company operates within a global framework which is applied consistently across all business lines within the Macquarie Group for the identification, monitoring, management and reporting of operational risk. Operational risk management occurs largely as part of the normal day to day running of each business with the framework, policies and oversight being managed at a central level by RMG. The framework can be tailored to the risk profile of each business, but each business must comply with certain mandatory

## **Strategic Report**

**for the financial year ended 31 March 2021 (continued)**

### **Section 172 (1) Statement**

During the reporting period the directors of the Company have acted in a way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, in doing so, they have regard to the matters set out in s172(1)(a-f) of the Companies Act 2006) in their decision making.

Our Section 172 statement focusses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

From the perspective of the Directors, the matters that the Board is responsible for considering under Section 172 of the Companies Act 2006 have been considered appropriately. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Directors considered these matters is set out in the Directors' report on pages 8 to 11.

### **Other matters**

Due to the nature of the business and the information provided elsewhere in this report, the Directors are of the opinion that the production of financial and non-financial key performance indicators (including with regard to environmental and employee matters) in the Strategic report is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board



---

Name: Peter Knott  
Director

10 December 2021

---

# Green Investment Group Investments Limited

Company Number SC576143

---

## Directors' Report for the financial year ended 31 March 2021

In accordance with a resolution of the Directors of the Company, the Directors submit herewith the audited financial statements of the Company and report as follows:

### 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:

M Dooley	
E Northam	
D Wong	(resigned 21 April 2020)
P Knott	(appointed 21 April 2020)

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

H Everitt

### Results

The profit for the financial year ended 31 March 2021 was £23,403,000 (2020: £72,273,000). The decrease in profit was driven by a £59,886,000 decrease in net gain on sale of investments, offset by a £12,508,000 decrease in administrative expenses.

### Dividends paid or provided for

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

### State of affairs

There were no 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.

### 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 period

On 21 May 2021, the Company subscribed for 100 ordinary shares of £1 each in Inis Top Company Limited. As of the date of this report, the Company made debt and equity contributions of £5.1m in Inis Top Company Limited.

On 24 June 2021, the Company subscribed for 69,900 ordinary shares of £1 each in Maryland Holdco Limited. As of the date of this report, the Company made debt and equity contributions of £58m in Maryland Holdco Limited.

On 28 June 2021, the Company subscribed for 100 ordinary shares of £1 each in Lion Wind Power Limited.

On 12 July 2021, the Company subscribed for 100 ordinary shares of £1 each in Lochlann TopCo Limited and subscribed for 100 ordinary shares of £1 each in Lochlann FinCo Limited. As of the date of this report, the Company committed £124m in debt and equity funding to Lochlann FinCo Limited.

On 16 July 2021, the Company ceased control of Offshore Wind Power Limited as part of a business restructure and subscribed for 100 ordinary shares of \$1 each in Renewables HoldCo Limited.

On 22 July 2021, the Company subscribed for 100 ordinary shares of SEK 1 each in Sea Lion Wind HoldCo Limited.

## **Directors' Report**

### **for the financial year ended 31 March 2021 (continued)**

#### **Events after the reporting period (continued)**

On 1 September 2021, the Company completed a funding re-structure of Cero Generation Limited and its subsidiaries. The Company committed £59m in equity and debt funding as of the report date.

As of the date of this report, the Company provided additional debt funding of £62m to Vanadium Holdco Limited.

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.

#### **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 ARR on an economically equivalent basis, adjustments for term and credit differences will need to be applied.

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.

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

The financial risk management objectives and policies of the Company and the exposure of the Company to credit risk, liquidity risk, interest rate risk, operational risk, market risk and foreign exchange risk and developments over Brexit are contained within the Strategic Report.

## **Directors' Report**

**for the financial year ended 31 March 2021 (continued)**

### **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 Companies Act 2006. The indemnity was in force throughout the last financial year 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 Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the 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, including 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

The following sets out the requirements of section 172 (1) and notes how the Directors have discharged their duties. In doing so they have had regard to matters including those in respect of the Company's stakeholders, who are principally group shareholders, employee, internal and external customers.

#### **a) Likely consequences of any decision in the long term**

The Company's ultimate parent is Macquarie Group Limited ("MGL"). The Company operates to the ethical and business standards set by MGL and the Macquarie Group. Any decision taken is aligned to the strategy of the Company and the wider Macquarie Group and made in accordance with Macquarie's Code of Conduct (the "Code"). The Code is based on the three principles that guide the way the Macquarie Group does business – Opportunity, Accountability and Integrity. Before a proposal is brought to the Board for approval, it will have gone through a series of internal approvals, in accordance with the Macquarie Group's risk management framework, which is embedded across the Macquarie Group's operations. The Macquarie Group's approach to risk management is based on the following stable and robust core risk management principles i) ownership of risk at the business level; ii) understanding worst case outcomes and iii) independent sign off by the Risk Management Group.



## Directors' Report

for the financial year ended 31 March 2021 (continued)

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

#### a) Likely consequences of any decision in the long term (continued)

To facilitate good decision making, Directors meet as required with documentation circulated in advance. Where relevant this may include diligence on financial impacts, as well as non-financial factors to allow them to fully understand the performance and position of the Company, along with the matters that are to be discussed.

The principal activity of the company during the year was the making and selling of investments and loans which give effect to the green purposes set out in the Company's Articles of Association.

Key decisions which the Board met to consider during the year were:

- the approval of the statutory financial statements of the Company;
- the provision of loans to facilitate the development of renewable energy projects across multiple jurisdictions and certain acquisitions of renewable energy projects;
- the making of investments into certain subsidiaries of the Company to facilitate the development of renewable energy projects; and
- the divestment of certain investments held by the Company.

In connection with the fulfilment of the green objective, all prospective Green Investment Group ("GIG") investments are subject to a detailed green rating assessment which scrutinises an investment's alignment with GIG's green objective and measures contribution to GIG's Green Purposes. The findings of this process are presented as a Green Opinion within the documentation for consideration as part of the investment decision making process.

New investments made under the GIG brand continue to be made by the Company and its direct and indirect subsidiaries and each such GIG investment is subject to a specific review to determine the likelihood of the investment furthering the green objective. GIG investments made outside of Europe may be made by other Macquarie Group entities using the GIG name and brand for trading and marketing purposes. However, those entities are only permitted to do this in return for a contractual undertaking that any activities will be compliant with the Company and GIG's Investment Principles and Green Investment Policy.

Further details on GIG's Green Investment Principles, Green Investment Policy and Green Purposes can be found at:

<https://www.greeninvestmentgroup.com/who-we-are/measuring-our-impact.html>

#### (b) Interests of the Company's workforce

The company itself does not have any direct employees but utilises the services of employees employed by the Macquarie group via a range of internal shared services agreements.

Through communications provided by Macquarie Group's Human Resources team and senior management, the Company involves and informs the workforce on matters that are likely to directly affect them. The Company's policies align with Macquarie Group's workforce related policies, including Macquarie's Workforce Diversity Policy.

**Directors' Report****for the financial year ended 31 March 2021 (continued)****Statement of Directors' responsibilities in respect of the financial statements  
(continued)****(c) Business relationships with suppliers, customers and others**

The Board is cognisant of the stakeholders of the Company and the importance of strong relationships, coupled with appropriate levels of communication and engagement.

**Suppliers** - Macquarie Group is committed to ensuring high standards of environmental, social and governance performance across its supply chain. This commitment is driven by our business principles. Macquarie Group has put in place a Supplier Governance Policy to manage the risks associated with suppliers who provide the Macquarie Group with high inherent risk goods or services, and also 'Principles for Suppliers' to help uphold our core values with the aim of having supplier relationships that create long-term and sustainable value for our clients, shareholders and community.

Through GIG's workplace health and safety programme, we seek to support our development teams in applying responsible criteria to their supplier selection and procurement activities. GIG takes the reports of human rights abuses and recent allegations associated with polysilicon manufacturing in Xinjiang seriously. We have enhanced our due diligence process for supplier contracts to understand this very complex matter. Our enhanced due diligence includes traceability studies, social audits, reporting and escalation procedures, and ongoing monitoring.

**Customers** - As a holding company for other Macquarie Group entities, the Company's customers are predominantly internal to the Macquarie Group subsidiaries and affiliates, however the Company also had external customers during the financial year. Along with the publicly available disclosures on the Macquarie website and through the GIG Progress Report, Macquarie looks to the Company's workforce (including the Directors) to keep customers informed about the depth, breadth and scale of our capabilities in line with local rules and regulations on financial promotions while offering our products in a highly regulated financial services environment in EMEA. Macquarie Group's publicly available EMEA Terms of Business embed our commitment to the principle of treating customers fairly into all of the Company's business.

With respect to customers and suppliers, the Company and Macquarie Group is committed to our ensuring high environmental, social and governance standards. Further information on relevant principles and policies can be found in the following documents and links:

With respect to customers and suppliers, the Company and Macquarie Group is committed to our ensuring high environmental, social and governance standards. Further information on relevant principles and policies can be found in the following documents and links:

- Supplier Governance Policy
- Principles for Suppliers
- Third Party Risk team
- EMEA Terms of Business
- GIG Progress Report

In the context of COVID-19, the Board recognises that acute crises bring into focus the imperative for organisations to support customers and contribute to the communities in which they operate. During this period, the Company has worked with its clients as they quickly adapt to a changed environment so that they can continue to operate.

**Directors' Report****for the financial year ended 31 March 2021 (continued)****Statement of Directors' responsibilities in respect of the financial statements  
(continued)****(d) Community and the environment**

The Board recognises the importance of sound Environmental, Social and Governance ("ESG") practices as part of its responsibility to our clients, shareholders, communities, people and the environment in which the Macquarie Group operates. As a subsidiary of the Macquarie Group, the Company has committed to the Group's ESG approach, which is structured around focus areas considered to be material to our business. Assessing and managing Macquarie Group wide ESG risks is a key business priority and an important component of Macquarie's broader risk management framework, to which the Company is subject.

Clear dialogue with stakeholders is important to building strong relationships, understanding external dynamics, earning and maintaining trust, enhancing business performance and evolving our ESG approach. The Macquarie Group regularly engage with a broad range of stakeholders including clients, shareholders, investors, analysts, governments, regulators, the workforce, suppliers and the wider community.

Macquarie Group recognises that failure to manage ESG risks could expose the organisation to commercial, reputational and regulatory impacts and affect communities, the environment and other external parties.

In May 2021, Macquarie Group announced a net zero commitment as part of its wider efforts to tackle climate change and help drive action at a global level. This statement signals the intent to steer the Macquarie Group's portfolio over time and in line with a managed transition to global net zero by 2050. Macquarie is already regarded as a global leader in advancing practical climate solutions and this announcement is an opportunity to positively build on that, demonstrating close alignment with our purpose – empowering people to innovate and invest for a better future.

On the same date, GIG also announced a series of commitments in alignment with the Macquarie Group, including a specific commitment to achieving net zero from financing activities associated with renewable energy projects by 2030.

The Board acknowledges the work of the Macquarie Group Foundation (the "Foundation"), which is the philanthropic arm of Macquarie. The Foundation encourages Macquarie's employees to give back to the communities in which they live and work by contributing service, financial support and leadership to the community organisations they feel passionately about.

**(e) Reputation for high standards**

The reputations of the Company, GIG and the Company's Directors are fundamental to the long-term success of the Company and significant effort is expended to ensure that performance and processes attain and wherever possible exceed expectations. The Macquarie Group and the Company are committed to maintaining high ethical standards – adhering to laws and regulations, conducting business in a responsible way and treating all stakeholders with honesty and integrity. These principles are further reflected in the Code.

**(f) Need to act fairly as between members of the Company**

The Company is a separate legal entity and is therefore making this statement as such, but in practical terms, the Company is part of a wider group and in addition to promoting the success of the Company as a whole, the duties of the directors of the Company are exercised in a way that is most likely to promote the success of the Company for the Macquarie group as a whole, while having regard to factors outlined in section 172(1) Companies Act 2006.

## Directors' Report

for the financial year ended 31 March 2021 (continued)

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

#### 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.

#### Streamlined energy and carbon reporting ("SECR") requirement

The Company consumed less than 40MWh for the financial year ended 31 March 2021 and for this reason the Company is not required to disclose energy and carbon information in this report.

#### Independent auditors

Pursuant to section 487(2) of the Companies Act 2006, 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



---

Name: Peter Knott

Director

10 December 2021

# Green Investment Group Investments Limited

Company Number SC576143

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

	Notes	2021 £'000	2020 £'000
Turnover	4	3,247	1,220
Net gain on investments	4	31,954	91,840
Administrative expenses	4	(13,992)	(26,500)
Other operating (expenses)/income	4	(735)	2,413
<b>Operating profit</b>		<b>20,474</b>	<b>68,973</b>
Interest receivable and similar income	4	10,582	6,628
Interest payable and similar expenses	4	(7,490)	(2,862)
<b>Profit before taxation</b>		<b>23,566</b>	<b>72,739</b>
Tax on profit	5	(163)	(466)
<b>Profit for the financial year</b>		<b>23,403</b>	<b>72,273</b>

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

Turnover and profit before taxation relate 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.

# Green Investment Group Investments Limited

Company Number SC576143

## Balance sheet as at 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Investments	6,7,8	337,262	352,801
Debtors: amounts falling due after more than one year	9	14,851	13,344
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	66,765	24,981
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(4,746)	(41,457)
<b>Net current assets/(liabilities)</b>		<b>62,019</b>	<b>(16,476)</b>
<b>Total assets less current liabilities</b>		<b>414,132</b>	<b>349,669</b>
Creditors: amounts falling due after more than one year	13	(45,436)	(4,376)
<b>Net assets</b>		<b>368,696</b>	<b>345,293</b>
<b>Shareholders' funds</b>			
Called up share capital	14	269,000	269,000
Profit and loss account	15	99,696	76,293
<b>Total shareholders' funds</b>		<b>368,696</b>	<b>345,293</b>

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 12 to 35 were approved by the Board of Directors on 10 December 2021 and were signed on its behalf by:



Peter Knott  
Director

# Green Investment Group Investments Limited

Company Number SC576143

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

	Notes	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
<b>Balance at 1 April 2019</b>		-	3,699	3,699
Profit for the financial year	15	-	72,273	72,273
<b>Total comprehensive income</b>		-	72,273	72,273
Transactions with equity holders in their capacity as ordinary equity holders:				
Issue of share capital	14	269,000	-	269,000
Reversal of initial application of IFRS 9		-	321	321
<b>Balance at 31 March 2020</b>		269,000	76,293	345,293
Profit for the financial year	15	-	23,403	23,403
<b>Total comprehensive income</b>		-	23,403	23,403
<b>Balance at 31 March 2021</b>		269,000	99,696	368,696

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.

---

# Green Investment Group Investments 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. The address of its registered office is Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, United Kingdom.

The principal activities of the Company during the financial year ended 31 March 2021 are the making and selling of investments and loans which give effect to its green objective as set out in its Articles of Association.

### 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 £368,696k (2020: £345,293k).

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") and financial instruments that have been designated as FVTPL ("DFVTPL"); and
- financial assets and liabilities that are otherwise measured on an amortised cost basis.

#### (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 EU-adopted 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 IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D and 111 of IAS 1 'Presentation of Financial Statements' (additional comparatives).
- The requirements of IFRS 7 'Financial Instruments: Disclosures'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- 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 the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.



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

### Note 2. Basis of preparation (continued)

#### (iv) Critical accounting estimates and significant judgements

The preparation of the financial statements in compliance 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 determining the appropriate business model for a group of financial assets which includes determining the level at which the business model condition is applied and whether past or expected sales activity is consistent with a held to collect business model (Note 3(iv))
- judgement in assessing whether the cash flows generated by a financial asset constitute solely payments of principal and interest ("SPPI") may require the application of judgement, particularly for certain subordinated or non-recourse positions, and in the determination of whether compensation for early termination of a contract is reasonable (Note 3(iv)).
- judgement in the choice of inputs, estimates and assumptions used in the measurement of Expected Credit Loss ("ECL") including the determination of significant increase in credit risk ("SICR"), forecasts of economic conditions and the weightings assigned thereto (Notes 11 and 3(viii))
- judgement in timing and amount of impairment of interests in associates and joint ventures and investment in subsidiaries, including the reversal thereof (Notes 3(viii), 7 and 8)
- estimates in recoverability of tax receivables, deferred tax assets and measurement of current and deferred tax liabilities can require significant judgement, particularly where the recoverability of such tax balances relies on the estimation of future taxable profits and management's determination of the likelihood that uncertain tax positions will be accepted by the relevant taxation authority (Notes 3(iii) and 5)
- judgement in recognition and measurement of certain revenue streams including performance fees from Macquarie-managed funds and other capital market investments and transactions
- estimates in the timing of derecognition of assets and liabilities following the disposal of an investment, including the measurement of the associated gain or loss

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 this financial report are reasonable. Actual results in the future may differ from those reported and it is therefore 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 (Note 11) and the assessment of the impairment of non-financial assets (Note 6 to 8) 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.

---

# Green Investment Group Investments Limited

---

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

### Note 2. Basis of preparation (continued)

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

##### 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 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 impact on the financial statements and further disclosures

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

##### -Loans and receivables

In response to COVID 19 the Company undertook a review of wholesale credit portfolios, loans to 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. Refer to Note 11.

##### -Creditors

Debt-related covenants were assessed to determine whether there were any breaches for which disclosure is required. The Company identified no such breaches at 31 March 2021 nor at the time at which these financial statements were authorised for issue. Refer to Note 12 and Note 13

##### -Interest in associates and joint ventures, investments in subsidiaries

The Company's investments in associates and joint ventures is diversified, has been acquired over time and covers various sectors (including infrastructure and green energy) and geographic locations. 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 Notes 6 - 8.

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

The amendments to existing accounting standards that are effective for the reporting period beginning on 01 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 'Pounds Sterling' (£), which is also the Company's functional currency.

---

# Green Investment Group Investments Limited

---

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

### Note 3. Significant accounting policies (continued)

#### *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 net trading income.

#### ii) Revenue and expense recognition

##### *Interest income and expense*

Interest income and interest expense (with the exception of borrowing costs that are capitalised on a qualifying asset, which is not measured at fair value) 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 to the net carrying amount of the financial asset or liability.

##### *Interest income and expense (continued)*

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.

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 III), 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.

##### *Fee and commission income*

Revenue earned by the Company from its contracts with customers primarily consists of the following category of fee income:

*Development advisory fee* - Development advisory fee includes fees earned on services during the development phase of certain capital projects. The fees are recognised when the performance obligation is satisfied.

##### *Other operating income*

Other operating income comprises of investment income, foreign currency translations and other income.

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.

##### *Dividends and distributions*

Interim dividends from UK companies are recognised when the dividend proceeds are received by the Company. Final dividends from investments in UK companies and dividends from investments in overseas companies are recognised when the Company becomes entitled to the dividend.

Dividends or distributions are recognised when the right to receive a dividend or distribution is established, it is probable the economic benefits associated with the dividend will flow to the Company and the dividend can be measured reliably.

---

# Green Investment Group Investments Limited

---

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

### Note 3. Significant accounting policies (continued)

#### ii) Revenue and expense recognition (continued)

##### *Dividends and distributions (continued)*

Judgement is applied in determining whether distributions from subsidiaries, associates and joint ventures are to be recognised as dividend income or as a return of capital. Distributions that represent a return of capital are accounted for by the Company as a reduction to the cost of its investment and are otherwise recognised by the Company within investment income as part of other operating income and charges when the recognition criteria are met.

##### *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, and unused tax losses.

Deferred tax assets are recognised when temporary differences arise between the tax bases 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.

Current and deferred taxes attributable to amounts recognised in OCI are also recognised in OCI.

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

Factors considered include the ability to offset tax losses within the tax consolidated group or groups of entities in overseas jurisdictions, 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.

---

# Green Investment Group Investments Limited

---

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

### Note 3. Significant accounting policies (continued)

#### 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 and is adjusted for (in the case of instruments not classified at FVTPL) for transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument, and fees that are an integral part of the effective interest rate. Transaction costs and fees paid or received 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.

##### *De-recognition of financial instruments*

##### **Financial assets**

Financial assets are de-recognised 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.

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.

---

# Green Investment Group Investments Limited

---

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

### Note 3. Significant accounting policies (continued)

#### iv) Financial instruments (continued)

##### *De-recognition of financial instruments (continued)*

##### **Gains and losses on the derecognition of debt financial assets and liabilities**

Gains and losses arising from the derecognition of debt financial assets or financial liabilities are recognised in:

- net gain on sale of investment in respect of financial investments and loans to associates.

##### *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**

##### *Business model assessment*

The Company uses judgement in determining the business model at the level that reflects how groups of financial assets are managed and its intention with respect to its financial assets. In determining the business model, all relevant evidence that is available at the date of the assessment is used including:

- 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;
- 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
- 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 reflect primarily 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:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
- the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements, and
- the financial asset has not been classified as DFVTPL.

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

##### **Fair value through other comprehensive income ("FVOCI")**

A financial asset is subsequently measured at FVOCI if the following conditions are met:

- the financial asset is held within a business model whose objective is to both collect contractual cash flows and to sell the financial asset,
- the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements, and
- the financial asset has not been classified as DFVTPL.

Subsequent changes in fair value are recognised in OCI, with the exception of interest (which is recognised as part of interest income), ECL (which is recognised in credit and other impairment charges/reversal) and foreign exchange gains and losses (which are recognised in net trading income) and is net of any related hedge accounting adjustments. When debt financial assets classified at FVOCI are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to investment income in respect of debt financial investments and loans to associates, or to other income and charges as part of other operating income and charges for all other financial assets.

---

# Green Investment Group Investments Limited

---

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

### Note 3. Significant accounting policies (continued)

#### iv) Financial instruments (continued)

##### *Classification and subsequent measurement (continued)*

##### **Fair value through profit or loss ("FVTPL")**

Financial assets that do not meet the criteria to be measured at amortised cost or FVOCI are 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 FVPTL;
- 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.

Subsequent changes in the fair value of debt financial assets 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.

---

# Green Investment Group Investments Limited

---

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

### Note 3. Significant accounting policies (continued)

#### iv) Financial instruments (continued)

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount reported on the balance sheet, when there is a current 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, returns from 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.

##### ***Interest in associates and joint ventures***

Associates and 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) Other assets and liabilities

##### ***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.



---

# Green Investment Group Investments Limited

---

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

### Note 3. Significant accounting policies (continued)

#### vi) Other assets and liabilities (continued)

##### *Non-current assets and liabilities of disposal groups classified as held for sale (continued)*

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.

#### vii) Due to/from related entities

Transactions between the Company and its subsidiaries principally arise from the provision of lending arrangements and acceptance of funds on deposit, intercompany services and transactions and the provision of financial guarantees, and are accounted for in accordance with 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.

#### viii) Impairment

##### **Expected credit losses ("ECL")**

The ECL requirements apply to financial assets measured at amortised cost and FVOCI, lease receivables, amounts receivable from contracts with customers, loan commitments, certain letters of credit and financial guarantee contracts issued that are not DFVTPL. 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, ECL is determined based on the probability of default (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 lifetime PD and the lifetime losses associated with that PD, adjusted for FLI. The Company exercises judgement in determining whether there has been a SICR since initial recognition based on qualitative, quantitative, and reasonable and supportable information that includes FLI. Detail on the Company's process to determine whether there has been a SICR is provided in Note 11 *Expected credit losses*.

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.

---

# Green Investment Group Investments Limited

---

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

### Note 3. Significant accounting policies (continued)

#### viii) Impairment (continued)

##### (iii) Stage III – Lifetime ECL credit-impaired

Financial assets are classified as Stage III where they are determined to be credit impaired, which generally matches definition of default. 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 for portfolios of exposure, ECL is measured as the product of the lifetime PD, the loss given default (LGD) and the exposure at default (EAD), adjusted for FLI.

##### (iv) Purchased or originated credit-impaired financial assets

Purchased or originated credit-impaired ("POCI") financial assets are initially recognised at fair value with interest income subsequently determined using a credit-adjusted EIR, which is the EIR adjusted for ECL on initial recognition.

The ECL is measured as the product of the lifetime PD, LGD and EAD adjusted for FLI or by discounting the difference between the contractual and expected cash flows from the individual exposure using the credit adjusted EIR, with increases and decreases in the measured ECL from the date of origination or purchase being recognised in the profit and loss account as a credit impairment charges/reversal.

#### Presentation of loss allowances

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

- loan assets, loans and advances to other Macquarie group entities, loans to associates and joint ventures measured at amortised cost – as a deduction to the gross carrying amount.
- loan assets, loans to associates and joint ventures, and debt financial investments measured at FVOCI – as a reduction in FVOCI reserve within equity. The carrying amount of the asset is not adjusted as it is recognised at fair value.
- lease receivables, contract receivables and other assets measured at amortised cost – as a deduction to the gross carrying amount.
- undrawn credit commitments and financial guarantees (not measured at FVTPL) – as a provision included in other liabilities.

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 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 in other impairment charges/reversal, 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.

#### ix) Called up share capital

Ordinary shares and other similar instruments 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.

#### x) Rounding of amounts

All amounts in the Directors' Report and Financial Statements have been rounded off to the nearest thousand pound sterling (£'000) unless otherwise indicated.

# Green Investment Group Investments Limited

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

### Note 4. Profit before taxation

	2021 £'000	2020 £'000
<b>Profit before taxation is stated after crediting:</b>		
<b>Turnover by category:</b>		
Dividend income	1,184	1,220
Advisory fee income	2,063	-
<b>Total turnover</b>	<b>3,247</b>	<b>1,220</b>
<b>Net gain on investments by category:</b>		
Net gain on sale of investments <sup>(1)</sup>	31,954	91,840
<b>Total net gain on investments</b>	<b>31,954</b>	<b>91,840</b>
<b>Administrative expenses:</b>		
Legal fees, consulting fees and other professional fees	(3,917)	-
Auditor's remuneration		
- Fees payable to the Company's auditors for the audit of the Company	(50)	(22)
Management fees and Group service charges	(9,545)	(25,982)
Other administrative expenses	(480)	(496)
<b>Total administrative expenses</b>	<b>(13,992)</b>	<b>(26,500)</b>
<b>Interest</b>		
Interest receivable and similar income from: <sup>(2)</sup>		
Other Macquarie Group undertakings	10,225	6,628
Unrelated parties	357	-
<b>Total interest receivable and similar income</b>	<b>10,582</b>	<b>6,628</b>
Interest payable and similar expenses to: <sup>(3)</sup>		
Other Macquarie Group undertakings	(7,490)	(2,862)
<b>Total interest payable and similar expenses</b>	<b>(7,490)</b>	<b>(2,862)</b>
<b>Other operating (expenses)/income:</b>		
Foreign exchange (losses)/gains	(649)	2,862
Credit impairment reversals/(charges)		
- Financial investments	(86)	(442)
Investment income		
- Net gain/(loss) on equity	-	(7)
<b>Total other operating (expenses)/income:</b>	<b>(735)</b>	<b>2,413</b>

<sup>(1)</sup>Includes £nil (2020: £nil) of loss/gain on derecognition of loan at amortised cost and £11k (2020: £nil) of fair value losses on loans measured at FVTPL.

<sup>(2)</sup>Includes interest income calculated using effective interest method of £12,225k (2020: £6,628k) on the financial assets in the Company that are measured at amortised cost and £nil (2020: £nil) on the financial assets measured at FVOCI.

<sup>(3)</sup>Includes interest expense of £7,490k (2020: £2,862k) on the financial liabilities measured at amortised cost.

The Company had no employees during the year (2020: nil).

# Green Investment Group Investments Limited

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

### Note 5. Tax on profit

	2021 £'000	2020 £'000
<b>(i) Tax expense included in profit or loss</b>		
<b>Current tax</b>		
UK corporation tax at 19% (2020: 19%)	(203)	(466)
Adjustment in respect of previous periods	40	-
<b>Total current tax</b>	<b>(163)</b>	<b>(466)</b>
<b>Tax on profit/(loss)</b>	<b>(163)</b>	<b>(466)</b>

### (ii) Reconciliation of effective tax rate

The income tax expense for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

<b>Profit before taxation</b>	<b>23,566</b>	<b>72,739</b>
Current tax charge at 19% (2020: 19%)	(4,478)	(13,820)
Effect of:		
Adjustment in respect of prior years	40	-
Expenses not deductible for tax purposes	(83)	(4,636)
Non-taxable income - Dividends	225	232
Non assessable income	4,133	17,758
<b>Total tax on profit</b>	<b>(163)</b>	<b>(466)</b>

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%.

### Note 6. Investments

	2021 £'000	2020 £'000
Interests in associates and joint ventures	2,107	27,108
Investment in subsidiaries	335,155	325,693
<b>Total investments</b>	<b>337,262</b>	<b>352,801</b>

### Note 7. Investments in subsidiaries

	2021 £'000	2020 £'000
Investments at cost with no provisions for impairment	335,155	325,693
<b>Total investments in subsidiaries</b>	<b>335,155</b>	<b>325,693</b>

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:

# Green Investment Group Investments Limited

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

### Note 7. Investments in subsidiaries (continued)

Name of subsidiary	Nature of business	Place of incorporation	2021 % ownership	2021 £'000	2020 £'000
Bilbao Offshore TopCo Limited	Holding Company	UK <sup>1</sup>	100%	269,000	269,000
Chablis TK Holdings Limited	Holding Company	UK <sup>1</sup>	100%	25,531	26,577
Enso Green Holdings Limited	Holding Company	UK <sup>1</sup>	0%	-	3,050
Cero Generation Holdings Spain Limited	Holding Company	UK <sup>1</sup>	0%	-	9,302
Green Empire WtE Holdings Limited	Holding Company	UK <sup>1</sup>	100%	4,023	4,023
Cero Generation Limited	Holding Company	UK <sup>1</sup>	100%	32,340	-
Nordic Renewable Power Holdings (UK) Limited	Holding Company	UK <sup>1</sup>	100%	4,261	4,436
Sole Renewables Limited	Holding Company	UK <sup>1</sup>	0%	-	9,305
<b>Total Investments in subsidiaries</b>				<b>335,155</b>	<b>325,693</b>

<sup>1</sup>The registered address is Ropemaker Place, 28 Ropemaker Street, London, United Kingdom, EC2Y 9HD.  
All material subsidiaries have a 31 March reporting date.

### Note 8. Interests in associates and joint ventures

	2021 £'000	2020 £'000
Equity investments with no provisions for impairment	-	25,676
Total equity investments in associates and joint ventures	-	25,676
Loans to associates and joint ventures	2,107	1,432
Less: credit impairment charges	-	-
Total loans to associates and joint ventures	2,107	1,432
<b>Total interests in associates and joint ventures</b>	<b>2,107</b>	<b>27,108</b>

There are no associates or joint ventures as of March 2021 that are individually material to the Company.

### Note 9. Debtors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Amounts owed by other Macquarie Group undertakings <sup>(1)</sup>	14,851	13,344
<b>Total debtors</b>	<b>14,851</b>	<b>13,344</b>

<sup>(1)</sup>Amounts 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 market rates and at 31 March 2021 the rate applied for the year was 11% (2020: 11%).

### Note 10. Debtors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed by other Macquarie Group undertakings <sup>(1)</sup>	66,214	24,981
Other debtors	344	-
VAT recoverable	6	-
Fees and other receivables	201	-
<b>Total debtors</b>	<b>66,765</b>	<b>24,981</b>

<sup>(1)</sup>Amounts 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 market rates and at 31 March 2021 the rate range of LIBOR plus 1.94% to 3.78% (2020: LIBOR plus 2.86%).

The impact of IBOR Reform may have a material impact on the financial results of the Company, however, the results cannot be determined at this point in time as the Company is currently in the process of transitioning benchmark rates.