Financial Statements

Cero Generation Services Limited

From date of incorporation of 11 December 2020 to 31 March 2022

Registered number: 13078063

Company Information

Directors	M M Queimadelos (appointed 26 August 2022) J Rowlands (appointed 26 August 2022)
Company secretary	H L Everitt (appointed 11 December 2020) R G J Walker (appointed 29 January 2021)
Registered number	13078063
Registered office	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditor 40 Clarendon Road Watford Hertfordshire WD17 1JJ United Kingdom
Bankers	Citibank Canada Square Canary Wharf London E14 5LB

Cero Generation Services Limited
Registered Number: 13078063

Contents

Cero Generation Services Limited
Registered Number: 13078063

Directors' report

For the period ended 31 March 2022

In accordance with a resolution of the Directors (the "Directors") of Cero Generations Services 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 sections 414B (as incorporated into the Act by the Strategic Report and Directors' Report Regulations 2013) for the preparation of a Strategic Report.

The Directors present their annual report and audited financial statements for the financial period from 11 December 2020 to 31 March 2022.

Principal activities

The principal activity of the Company during the financial period ended 31 March 2022 was to provide operations service for other members of the group.

Results and dividends

The loss for the period, after taxation, amounted to £2,972,480.

No dividends were paid or provided for during the financial

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

M M Queimadelos (appointed 26 August 2022)
J Rowlands (appointed 26 August 2022)
D J S Privat (appointed 29 November 2021, resigned 04 November 2022)
M J Edgar (appointed 11 December 2020, resigned 26 August 2022)
E P Northam (appointed 11 December 2020, resigned 26 August 2022)
N Harbo (appointed 11 December 2020, resigned 23 August 2021)

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

H L Everitt (appointed 11 December 2020)
R G J Walker (appointed 29 January 2021)

Principal risks and uncertainties

The Company has considered the principal risks and uncertainties of the business including its net liability position, the situation in Ukraine, current high levels of inflation in the UK, and the COVID-19 pandemic. While the Company has no direct links with Ukraine, the ongoing situation may impact global procurement prices. The increased inflation rates and COVID-19 pandemic have continued to have minimal impact on the Company.

Financial risk management

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies, in the context of the group as a whole, are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Directors' report (continued)

For the period ended 31 March 2022

Post balance sheet events

Any significant events since the Balance Sheet date that would have required disclosure in the financial statements have been outlined in note 19.

Qualifying third party indemnity provisions

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. The indemnity was in force throughout the current financial period. The ultimate parent purchased and maintained throughout the financial period Directors' liability insurance in respect of the Company and its Directors.

Going Concern

At 31 March 2022, the Company has net current assets of £315,783 and total shareholders' deficit of £(1,027,620).

The Company provides service operations for other members of the group and earns revenue from other group companies deriving from recharged expenses including an agreed uplift. In addition to receipts from fellow group companies for the services provided, the Company is heavily reliant on financial support from its parent company Cero Generation Limited. Cero Generation Limited has access to an unspecified principal draw down facility from its parent company Green Investment Group Investments Limited. Cero Generation Limited has issued a letter of support confirming its commitment to funding the foreseeable operational costs in the Company for at least twelve months.

The Directors have concluded that they have a reasonable expectation that the Company with this letter of support, has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and financial statements.

Directors responsibility statement

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

Applicable company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company

Directors' report (continued)

For the period ended 31 March 2022

Directors' responsibility statement (continued)

and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.

DocuSigned by:
Marta Martinez Queimadelos
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....
M M Queimadelos
Director

Date: 25.05.2023

Independent auditors' report to the members of Cero Generation Services Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the period from 11 December 2020 to 31 March 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2022; the Income Statement and the Statement of Changes in Equity for the period 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 period ended 31 March 2022 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 Directors' responsibilities statement, 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 Companies Act 2006, the Corporation Tax Act 2010 and VAT Regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 misappropriation of cash. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; these inquiries were corroborated through review of Board minutes;
- Obtaining an understanding of the legal and regulatory frameworks applicable to the Company, including those relating to the reporting framework;
- Addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries, including journal entries with unusual account combinations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

John Dashwood

John Dashwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
26 May 2023

Cero Generation Services Limited
Registered Number: 13078063

Income statement

For the financial period from 11 December 2020 to 31 March 2022

	Note	2022 £
Revenue	4	10,576,021
Gross profit		10,576,021
Administrative expenses		(13,449,386)
Operating loss	5	(2,873,365)
Finance Costs	7	(99,115)
Loss before taxation		(2,972,480)
Tax on loss	8	-
Loss for the financial period		(2,972,480)

There was no other comprehensive income/(loss) other than those included in the income statement.

The notes on pages 10 to 24 form part of these financial statements.

Statement of financial position

As at 31 March 2022

	Note		2022 £
Fixed assets			
Intangible assets	9		203,570
Tangible assets	10		610,092
			813,662
Current assets			
Debtors: amounts falling due within one year	11	9,514,855	
Cash and cash equivalents	12	497,499	
		10,012,354	
Current liabilities			
Creditors: amounts falling due within one year	13	(9,696,571)	
Net current assets			315,783
Creditors: amounts falling due after more than one year	14		(101,825)
Net assets			1,027,620
Equity			
Called up share capital	16		4,000,100
Accumulated losses			(2,972,480)
Total shareholders' deficit			1,027,620

The above statement of financial position should be read in conjunction with the accompanying notes on pages 10 - 24 which form an integral part of the financial statements.

The financial statements on pages 7 to 24 were approved by the Board of Directors on 25.05.2023 and signed on its behalf by:

DocuSigned by:
Marta Martinez Queimadelos
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M M Queimadelos
Director
25.05.2023

Statement of changes in equity

For the period ended 31 March 2022

	Share capital	Accumulated losses	Total shareholder deficit
	£	£	£
At 11 December 2020	-	-	-
Loss for the financial period	-	(2,972,480)	(2,972,480)
Shares issued during the period (note 16)	4,000,100	-	4,000,100
At 31 March 2022	4,000,100	(2,972,480)	1,027,620

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 10 to 24, which form an integral part of the financial statements.

Notes to the financial statements

For the period ended 31 March 2022

1. General 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 period ended 31 March 2022 was to provide operations services for other members of the group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and 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 the financial periods presented, unless otherwise stated.

The financial statements have been prepared for the period from 11 December 2020 to 31 March 2022.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of IAS 7 'Statement of Cash Flows';
- The requirements of paragraph 17 of IAS24 'Related Party Disclosures' (key management compensation); and
- The requirements of IAS24 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.

Notes to the financial statements

For the period ended 31 March 2022

2. Accounting policies (continued)

2.2 Going concern

At 31 March 2022, the Company has net current assets of £315,783 and total shareholders' deficit of £1,027,620.

The Company provides service operations for other members of the group and earns revenue from other group companies deriving from recharged expenses including an agreed uplift. In addition to receipts from fellow group companies for the services provided, the Company is heavily reliant on financial support from its parent company Cero Generation Limited. Cero Generation Limited has access to an unspecified principal draw down facility from its parent company Green Investment Group Investments Limited. Cero Generation Limited has issued a letter of support confirming its commitment to funding the foreseeable operational costs in the Company at least the next twelve months.

The Directors have concluded that they have a reasonable expectation that the Company with this letter of support, has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pound (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Notes to the financial statements

For the period ended 31 March 2022

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Revenue is generated through inter-group recharges for the provision of services.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Notes to the financial statements

For the period ended 31 March 2022

2. Accounting policies (continued)

2.7 Leases

The company leases office space where rental contracts are typically made for fixed periods of 2 years to 5 years. Where the contract may contain both lease and non-lease components, the company has elected not to separate the lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the financial statements

For the period ended 31 March 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- discounted amortization over the life of the relevant lease
Fixtures and fittings	- straight line over 3 years
Computer equipment	- straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, inclusive of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

For the period ended 31 March 2022

2. Accounting policies (continued)

2.12 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.

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;
- prohibited from selling or pledging the original asset other than as security to the eventual recipients; and
- obligated to remit any cash flows it collects on behalf of the eventual recipients without material delay.

Notes to the financial statements

For the period ended 31 March 2022

2. Accounting policies (continued)

2.12 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 de-recognised if control over the asset is lost. Any interest in the transferred and de-recognised 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 derecognised 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 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:

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 consistent with a basic lending arrangement. 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 classified as DFVTPL.

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

Notes to the financial statements

For the period ended 31 March 2022

2. Accounting policies (continued)

2.12 Financial instruments (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/expenses.

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/expenses;
- Changes in the fair value of all other FVTPL and DFVTPL financial assets are recognised as part of other income/(loss) within other operating income/expenses.

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

Financial liabilities
Financial liabilities are subsequently measured at amortised cost.

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.

2.13 Share capital

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

Notes to the financial statements

For the period ended 31 March 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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.

- Judgements in determination that the capitalisation criteria is being met for development expenditure.

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.

4. Revenue

An analysis of revenue by class of business is as follows:

	2022 £
Intra-group management services	60,154
Transfer pricing recharge	10,515,867
	10,576,021

5. Administrative expenses

	2022 £
Defined benefit pension cost	418,247
Depreciation of tangible fixed assets	391,311
Audit fees	25,000
Amortisation of intangible assets	40,982
Other administrative fees	2,719,364
Staff costs	9,854,482
	13,449,386

Notes to the financial statements

For the period ended 31 March 2022

6. Employees

Staff costs were as follows:

	2022
	£
Wages and salaries	8,409,711
Social security costs	1,026,524
Pension costs	418,247
	9,854,482

The Company had a monthly average of 42 employees in the financial period.

7. Finance costs

	2022
	£
Bank interest payable	11,020
Loans from group undertakings	88,095
	99,115

8. Tax on loss

	2022
	£
Taxation on loss	-

Notes to the financial statements
For the period ended 31 March 2022

8. Tax on loss (continued)

Factors affecting tax credit for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2022 £
Loss before tax	(2,972,480)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19%	(564,771)
Effects of:	
Fixed asset differences	(10,127)
Expenses not deductible for tax purposes	259,605
Timing not recognised in computation	1,745
Remeasurement of deferred tax for changes in tax rates	(192,916)
Movement in deferred tax not recognised	506,464
Total tax credit for the period	-

Factors that may affect future tax charges

Finance Act 2015 set the main rate of corporation tax to 19% with effect from 1 April 2017. In Spring 2021 the Government has further announced that the tax rate will increase from 19% to 25% from 1 April 2023.

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For the period ended 31 March 2022

9. Intangible assets

	Development expenditure £
Cost	
At 11 December 2020	-
Additions	244,552
At 31 March 2022	244,552
Accumulated Amortisation	
At 11 December 2020	-
Charge for the period	(40,982)
At 31 March 2022	(40,982)
Net book value	
At 31 March 2022	203,570

10. Tangible assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 11 December 2020	-	-	-	-
Additions	674,039	24,147	303,217	1,001,403
At 31 March 2022	674,039	24,147	303,217	1,001,403
Accumulated Depreciation				
At 11 December 2020	-	-	-	-
Charge for the period	293,556	273	97,482	391,311
At 31 March 2022	293,556	273	97,482	391,311
Net book value				
At 31 March 2022	380,483	23,874	205,735	610,092

Notes to the financial statements

For the period ended 31 March 2022

11. Debtors: Amounts falling due within one year

	2022
	£
Amounts owed by group undertakings	8,890,578
Prepayments	393,878
Other debtors	230,399
	9,514,855

Amounts owed by group undertakings are repayable on demand and bear interest between 0% to 3%.

12. Cash and cash equivalents

	2022
	£
Cash and cash equivalents	497,499

13. Creditors: Amounts falling due within one year

	2022
	£
Taxation and social security	1,441,834
Other creditors	396,446
Trade creditors	163,697
Amounts owed to group undertakings	5,676,751
Lease liabilities	287,842
Accruals and deferred income	1,730,001
	9,696,571

Amounts owed to group undertakings are repayable on demand and bear interest between 0% to 3%.

14. Creditors: Amounts falling due after more than one year

	2022
	£
Lease liabilities	101,825

Notes to the financial statements

For the period ended 31 March 2022

15. Leases

Company as a lessee

The Company has engaged in two leases for freehold properties. The value of the right of use assets recognised were £253,085 and £451,704 respectively. Both leases are discounted at a rate of 1.08%.

Lease liabilities are due as follows:

	2022 £
Less than 1 year	287,842
1-2 years	61,343
2-5 years	40,482
	389,667

16. Called up share capital

	2022 £
Allotted, called up and fully paid	
4,000,100 Ordinary shares of £1.00 each	4,000,100

17. Related party transactions

The Company does not have any related party transactions or balances other than those with entities which are disclosed elsewhere within these financial statements.

18. Contingent liabilities

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

Notes to the financial statements

For the period ended 31 March 2022

19. Post balance sheet events

During FY23, the Company began the process to cease operations in its Spanish branch and permanent establishments ('PE') of the Company and transition these to local subsidiaries registered in their respective jurisdictions. The permanent establishments impacted are Italy, Poland and France. Poland is expected to commence the transition in FY24 with the Spanish branch.

Post year end, Cero Generation Limited drew down a further EUR36.3M from the facility provided by its parent company Green Investment Group Investments Limited to provide additional funding and investment within the group.

Post year end, Marta Martinez Queimadelos, a N.E.D. on the Green Investment Group Investments Limited Board, was appointed permanently to the role of C.E.O. at Cero Generations Limited.

20. Controlling parties

At 31 March 2022, 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.