UK GREEN INVESTMENT BANK LIMITED

Company Number SC424067

Strategic Report, Directors' Report and Financial Statements
for the financial year ended 31 March 2023

MACQUARIE

The Company's registered office is:

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144 Morrison Street
Edinburgh, EH3 8EX
Scotland

2023 Strategic Report, Directors' Report and Financial Statements
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UK Green Investment Bank Limited

Company Number SC424067

Strategic Report

for the financial year ended 31 March 2023

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

Principal activities

The Company acts to give effect to its objects as set out in its Articles of Association. The Company was incorporated with a Green Objective in 2012 and continues to have a Green Objective, following the acquisition of the Company by Macquarie Group Limited (the "Macquarie Group" or "Macquarie") on 17 August 2017. This Green Objective, articulated as five Green Purposes, can only be altered with the consent of the Green Purposes Company Limited ("Green Purposes Company"), the holders of a special share in the Company, issued on 17 August 2017. No proposal to change the Green Objective has been made.

The principal activities of the Company during the financial year ended 31 March 2023 ("current financial year") were the making and holding of green investments either directly or through its subsidiary companies and the employment of staff deployed in the making and management of green investments and ancillary activities.

Review of operations

On 17 August 2017, the Company became part of the group of companies of which the Macquarie Group is the ultimate holding company. In order to pursue the UK Green Investment Bank's mission, and expand its operations geographically, it began operating under the name Green Investment Group ("GIG").

Investments in regions outside of the UK and Europe are unlikely to be made by the Company or its subsidiaries, but instead, will be made by other Macquarie Group entities using the GIG brand for trading and marketing purposes. The GIG brand may only use the GIG name and brand in return for a contractual undertaking that any activities using the brand will be compliant with the Company's Green Purposes, Green Investment Principles and Green Investment Policy.

The financial information, staff numbers and green impact reporting numbers detailed in this Annual Report represent the Company only, and not the full scope of global activity carried out under the GIG platform and

Stakeholders can gain a complete overview of all activities undertaken through the GIG brand on GIG's website (www.greeninvestmentgroup.com), through an annual progress report (published in November 2023). An annual stakeholder and industry event will be held in February 2024.

During the current financial year the Company, and its subsidiaries, invested in new green energy projects and partnerships covering offshore wind, energy storage and electric vehicle ("EV") charging in the UK; created new businesses including a global offshore wind business and a specialist European hydrogen development platform; and continued to invest in solar projects across Europe through its specialist solar development business.

The profit for the financial year ended 31 March 2023 was £383,264,000, as compared to the loss of £3,612,000 in the previous year. The change in result was driven by dividend income of £380,000,000 received from subsidiary in the current financial year.

Net operating income for the year ended 31 March 2023 was £381,360,000, as compared to the net operating loss of £6,809,000 in the previous year. The change in result was mainly driven by the dividend income received from subsidiary.

Total operating expenses for the year ended 31 March 2023 were £3,093,000, a decrease of 76 percent from £12,889,000 in the previous year.

As at 31 March 2023, the Company had net assets of £243,889,000 (2022: £240,792,000).

Strategic Report
for the financial year ended 31 March 2023 (continued)

Green Impact Reporting (unaudited)

The green impact statements contained in this Annual Report (see p.49 - 63) indicate the principal quantifiable environmental benefits arising from the Company's investments. Green impact metrics are reported in terms of estimated lifetime green impact from 2022-23 investments and all investments to date, where the project has reached final investment decision.

We maintain the same robust and consistent approach to accounting and disclosure of green impact metrics as applied in previous years, reporting performance in our green impact statements. This year's reporting also maintains the new disclosures introduced in 2021, where we added reporting of our qualitative contributions to all five Green Purposes – through our green ratings – to our existing quantitative green impact statements.

The green impact of all of the Company's projects – whether qualitative or quantitative – is measured by comparing the performance of the project to a defined baseline or 'counterfactual': what would happen in the absence of the project. We do not report green impact for projects into which we have only provided development funding at this stage, due to the relative uncertainty over potential future green impact.

The baseline used for evaluating greenhouse gas emissions avoided by grid-connected energy generation and energy efficiency projects is defined by the IFI harmonized approaches to greenhouse gas accounting[1].

The green impact statements should be read in conjunction with the Company's methodology for calculating green impact. Details of that methodology are set out in the Green Impact Reporting Criteria 2022-23, a copy of which is published on the website.

Selected totals for data in the green impact statements in respect of the financial year 2022-23 have been independently assured by Deloitte in accordance with the Independent Assurance Report set out on p. 64 - 67 (refer to p.55 for further discussion). The reporting period for the green impact statements is April 2022 to March 2023.

Principal risks and uncertainties

The Company is responsible for its own risk acceptance decisions. From the perspective of the Company, the principal risks are credit risk and liquidity risk, market risk, interest rate risk, foreign exchange risk. The principal risks of the Company are monitored by the relevant division of the Risk Management Group ("RMG") of the Macquarie Group Limited ("MGL"). 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:

- broader market volatility and weaker consumer sentiments driven by the recent banking concerns and ongoing macro-economic uncertainty, although the direct impact on the firm from banking concerns is broadly immaterial;
- global inflation and interest rates, and the impact of geopolitical events;
- potential tax or regulatory changes and tax uncertainties; and
- completion of year-end reviews and the completion rate of transactions.

The risk presented by the Russia-Ukraine conflict is managed by the Company within the framework of the overall strategy and risk management structure of the Macquarie Group (Macquarie Group comprising Macquarie Group, the ultimate parent of the Company, and its subsidiaries).

[1] http://unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting

Strategic Report
for the financial year ended 31 March 2023 (continued)

Principal risks and uncertainties (continued)
The Directors have assessed the impact of the high interest rate and high inflationary environment on the Company. The Directors have concluded that these did not have a material impact on the operations of the Company during the current financial period.

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

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, liquidity, market, interest rate, and foreign exchange risk. Additional risks faced by the Company include operational, group, conduct, regulatory legal, compliance, strategic/business, environmental and social risk, financial crime risk, technology & cyber risk. The primary responsibility for management of these risks lies with the individual businesses giving rise to them. It is the responsibility of RMG to ensure appropriate assessment and management of these risks.

As an indirect subsidiary of 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 MGL Board. The risks to which the Company is exposed are managed on a globally consolidated basis for MGL as a whole, including all subsidiaries, in all locations. Macquarie Group's internal approach to risk ensures that risks in subsidiaries are subject to the same rigour and

Financial risk management
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. Liquidity management is performed centrally by Group Treasury, with oversight from the Asset and Liability Committee ("ALCO"). 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.

Market risk
Market risk is the risk of adverse changes in the value of the Company's trading positions as a result of changes in market conditions. The Company is exposed to market risk from changes in equity prices through its facilitation and market making activities. 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. In addition, the Directors have approved RMG imposed cash limits on positions taken by the Equity Markets business.

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

Strategic Report
for the financial year ended 31 March 2023 (continued)

Risk management (continued)

Financial risk management (continued)
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.

Non-financial risk management
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 aspects.

Group risk
The risk that the actions and activities of one part of the Macquarie Group may compromise the financial, operational and reputational position of the Company. Management of financial group risk is embedded across underlying governance documents and committees relating to financial exposures. Management of reputation risk is embedded throughout the risk management framework and considered in the assessment of all risk types. Intragroup outsourcing is governed in accordance with the internal Macquarie Group's policies.

Conduct risk
The risk of behaviour, action or omission by individuals employed by, or on behalf of, the Company or taken collectively in representing the Company that may have a negative outcome for the Company's clients, counterparties, the communities and markets in which it operates, its staff, or the Company. The Company's approach to conduct risk management is integrated in its risk management framework.

Regulatory & compliance risk
The risk of failure to comply with laws, regulations, rule statements of regulatory policy, and codes of conduct applicable to the Company's financial services and other regulated activities. Frameworks have been established to manage the identification, escalation, management and reporting of regulatory and compliance risks across the Macquarie Group. These frameworks include policies, guidelines and standards which have been implemented to guide compliance.

Strategic / Business risk
The risk of the Company's business model being inadequate in the medium to long term. 'Strategic and Business' risk is managed and controlled through the annual strategy and business planning process. The Company Board ("Board") has oversight of business risk in the Company.

Environmental & social risk
The risk of reputational or financial impacts due to failure to identify or manage material environmental or social issues arising from or with respect to the Company's investment, financing, client activities or supply chain. Under the Code of Conduct all staff share responsibility for identifying and managing environmental and social issues as part of normal business practice. Staff is supported by the RMG environmental and social risks ("ESR") team, as well as through access to the environmental and social risk training.

Strategic Report
for the financial year ended 31 March 2023 (continued)

Financial crime risk

The risk of knowingly or unknowingly perpetuating or helping parties to commit or to further potentially illegal activity through the Company. Financial crime risk encompasses the risks of money laundering, terrorism financing, bribery and corruption, and sanctions. The RMG Financial Crime Risk team ('FCR') manages and oversees financial crime risk, engages with regulators and maintains and monitors the effectiveness of global financial crime risk frameworks, programs and policies for the Macquarie Group.

Technology & cyber risk

The risk of loss resulting from failure, inadequacy or misuse of technology and technology resources owned, managed or supplied by the Company including technology outsourced and/or managed on behalf of the Company. The RMG Operational Risk & Governance team is responsible for the independent oversight of technology risk.

Section 172 (1) Statement

The directors of the Company consider, both individually and collectively, that they have acted in the way that would most likely promote the success of the Company for the benefit of its members as a whole (having regard to relevant stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2023. 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 .

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, the Green Purposes Company, employees, industry groups and trade associations, internal and external customers.

a) Likely consequences of any decision in the long term

The Company is a wholly-owned subsidiary of Macquarie Group Limited and the Macquarie Group and therefore complies with the policies and practices, ethical and business standards that are set by the Macquarie Group Limited Board and are described in the Macquarie Group Annual Report. The following statement should therefore be read in conjunction with the Macquarie Group Limited Annual Report.

Any decision taken is aligned to the wider Macquarie Group and made in accordance with Macquarie's Code of Conduct (the "Code") – and based on the three principles of – Opportunity, Accountability and Integrity. Macquarie's purpose of 'empowering people to innovate and invest for a better future' is deeply embedded in Macquarie's culture and is underpinned by these longstanding operating principles. 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. Macquarie adopts a conservative approach to risk management which is underpinned by a sound risk culture. Macquarie's robust risk management framework and risk culture are embedded across all Macquarie Group's operations.

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 to give effect to its objects (the "Green Objective") as set out in the Company's Articles of Association, through the making and holding of green investments, either directly or through its subsidiary companies, and the employment of staff deployed in the making and management of green investments and ancillary activities. Key decisions which the Board met to consider during

Strategic Report
for the financial year ended 31 March 2023 (continued)

Section 172 (1) Statement (continued)

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

a) Approval of the statutory financial statements of the Company;

b) Approval of the payment of a dividend to the Company's ordinary shareholder;

c) Routine review of operational, business performance and governance matters; and

d) Approval of the publication of the Green Investment Group's ("GIG") Progress Report for the 2022 *financial year.*

In connection with the fulfilment of the Green Objective, all prospective GIG investments are subject to a detailed green rating assessment, which scrutinises an investment's alignment with the Green Objective and GIG's Green Investment Principles by measuring the contribution to GIG's Green Purposes and its alignment with the GIG Green Investment Policy. 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 or affiliated brands continued to be made by the Company's direct and indirect subsidiaries and licensees during the financial year ended 31st March 2023, and each such GIG investment is subject to a specific review to determine the likelihood of the investment aligning with the Green Objective and GIG's Green Investment Principles. 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 employees of the Company have employment contracts with the Company, and the Company also utilises the services of employees employed by the Macquarie Group via a range of internal shared services agreement.

The Company involves and informs the workforce on matters that could affect them. Where a Board decision is likely to impact the workforce, these considerations are reflected in the supporting documentation and relevant subject matter experts present to the Board in relation thereto, for our example, our Human Resources team. The Company's policies align with Macquarie Group's workforce policies, including Macquarie's Workforce Diversity Policy. The Macquarie Group and the Company are committed to building a workforce that reflects all aspects of diversity and intersectionality to bring a range of perspectives, ideas and insights to everything we do. Macquarie Group's focus continues to be on developing the internal and external pipeline of women and people from under-represented groups at all levels and enhancing our recruitment and talent practices to facilitate this.

(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. The Board oversees how the Company deals with its various business relationships, including by way of regular Board reporting with respect to business performance and risk management.

The Company and GIG are committed to being active citizens in the global green community. GIG participates in over 40 membership organisations around the world, in which its team members hold a number of key positions.

Strategic Report
for the financial year ended 31 March 2023 (continued)

Section 172 (1) Statement (continued)

(c) Business relationships with suppliers, customers and others (continued)

GPC: the GPC is a key stakeholder of the Company. It is a company limited by guarantee, owned and operated by trustees independent of GIG and Macquarie Group. The primary role of the trustees is to approve or reject any changes proposed to GIG's Green Purposes as they apply in the UK and Europe. The Green Purposes can only be altered with the consent of the GPC, the holders of a special share in the Company, issued on 17 August 2017. The GPC is committed to public accountability, transparency and competency, and to contributing positively to the future development of GIG.

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.

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.

(d) Community and the environment

The Board and Management recognise the importance of sound Environmental, Social and Governance ("ESG") practices as part of their responsibility to their clients, shareholders, communities, staff and the environment in which the Company operates. ESG considerations are embedded in both our operational and investment decision-making, along with the asset management frameworks that inform how our portfolio companies assess and improve their performance.

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 and stakeholders. 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 and Work Health and Safety ("WHS") *risks could affect* communities, the environment and other external parties, and expose the organisation to commercial, reputational and regulatory impacts. GIG's approach to environmental and social responsibility is governed by Macquarie Asset Management ("MAM") Environmental, Social and Governance (ESG) framework, which is aligned to the Macquarie Group Environmental and Social Risk (ESR) policy. This policy establishes the processes for identifying, assessing, managing, mitigating and reporting material environmental and social risks.

Strategic Report
for the financial year ended 31 March 2023 (continued)

Section 172 (1) Statement (continued)

(d) Community and the environment (continued)

Alongside Macquarie's investment commitments and work with clients to deliver practical solutions, Macquarie and GIG play an active role in the mobilisation of private capital through our participation in global initiatives.

GIG's mission is to accelerate the transition to net zero. To support this mission, GIG operates as part of MAM. The combined teams aim to significantly enhance Macquarie's capacity to mobilise institutional capital for the transition and provide greater scale of decarbonisation solution for clients, portfolio companies, communities and the environment.

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.

Other matters

Due to the nature of the business and the information provided elsewhere in this report, the Directors have decided not to include additional financial and non-financial key performance indicators (including with regard to environmental and employee matters) in the Strategic report because they would not materially improve an understanding of the development, performance or position of the business.

On behalf of the Board,

Philipp Rasi De Mel
Director

19 December 2023

Directors' Report
for the financial year ended 31 March 2023

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	
P. Knott	(resigned on 9 August 2022)
E. Northam	
P. Rasi De Mel	(appointed on 9 August 2022)

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

H. Everitt

Results

The profit for the financial year ended 31 March 2023 was £383,264,000 (2022: loss of £3,612,000).

Dividends

Interim dividends of £380,000,000 (2022: £nil) was paid during the current financial year. No other dividend has been proposed. 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 Company has excess of current assets over current liabilities at 31 March 2023 of £101,911,000. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (which has been taken as at least 12 months from the date of approval of the financial statements). 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 year

At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2023 not otherwise disclosed in this report.

Likely developments, business strategies and prospects

Russia-Ukraine conflict

The risk presented by the Russia-Ukraine conflict is managed by the Company within the framework of the overall strategy and risk management structure of the Macquarie Group (Macquarie Group comprising Macquarie Group Limited ("MGL"), and its subsidiaries).

Directors' Report

for the financial year ended 31 March 2023 (continued)

Likely developments, business strategies and prospects (continued)

Russia-Ukraine conflict (continued)
The continued impact and uncertainty surrounding the Russia-Ukraine conflict have been monitored throughout the year for the Company by RMG. There was no significant direct financial impact and the Company has continued to operate effectively throughout the year.

Global inflation and high interest rates
The Directors have assessed the impact of the high interest rate and high inflationary environment on the Company. The Directors have concluded that these did not have a material impact on the operations of the Company during the current financial year.

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

The principal activities, review of operations and the financial risk management objectives and policies of the Company and the exposure of the Company to credit risk, liquidity risk, interest rate risk, foreign exchange risk, operational risk, group risk, conduct risk, regulatory risk, and compliance risk, strategic/business risk, environmental and social (including climate change), financial crime risk, technology and cyber risk are contained within the Strategic Report.

Indemnification and insurance of Directors

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and also at the date of approval of the financial statements. The ultimate parent purchased and maintained throughout the financial year directors' liability insurance in respect of the Company and its Directors.

Statement of Directors' responsibilities in respect of the financial statements

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

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

Under Company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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' Report
for the financial year ended 31 March 2023 (continued)

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

The Directors are also 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.

1. Methodology

1.1 Reporting period
The data is reported for the year ended 31 March 2023.

1.2 Reporting boundaries
The following information has been prepared using an operational control approach in line with the UK government's Environmental Reporting Guidelines: Including streamlined energy and carbon reporting ("SECR") guidance (March 2019).

The Company's corporate offices are defined as offices leased by Macquarie Group Limited ("MGL") operating entities globally over which GIB has operational control, which are occupied by GIB staff and which have a Net Usable Area (NUA) greater than 100m2. NUA is defined as the area that can be fitted out by the tenant. This includes 144 Morrison Street in Edinburgh ("Morrison Street office") only. The report reflects the consumption and emissions of GIB only and not subsidiary entities.

The Company is a large, unquoted company under SECR. The Environmental Reporting Guidelines: Including SECR guidance notes that, "total energy use must include energy consumption from transport where the organisation is supplied with the fuel for business purposes, not where a transportation service is procured that includes an indirect payment for the fuel consumption. Therefore, only transport where the organisation is responsible for purchasing the fuel is required for mandatory reporting by unquoted companies and LLPs under the SECR framework." The Company does not procure fuel directly, and as such, is not required to report its energy consumption from transport, or the scope 3 emissions associated with this. Hence, the Directors have decided not to disclose the Company's energy consumption from transport for FY2023 or for prior years.

1.3 GHG emissions and energy use measurements
Emissions have been calculated in accordance with the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard.

The UK Department for Environment Food and Rural Affairs ("DEFRA")'s emissions factors have been applied to calculate GHG emissions (tCO2e).[1]

<u>Total electricity consumed (Scope 2)</u>
All electricity data for the reporting period was obtained directly from actual tenancy or building data. Estimates were provided where actual data was not available. Approximately 50% of this data has been estimated as we secure billing data from the building owner. The estimation methodology is as follows:

Average kWh/day is calculated based on actual data available for the reporting period (which for this disclosure, covers the period between April 2022 – September 2022). This value is then multiplied by the number of days remaining in the reporting period (which for this disclosure, covers the period between October 2022 – March 2023).

Directors' Report
for the financial year ended 31 March 2023 (continued)

Streamlined energy and carbon reporting ("SECR") requirement (unaudited) (continued)

Consistency with other energy use and emissions reporting
This disclosure is consistent with MGL's other energy use and emissions reporting, including in MGL's Annual Report and its submission to CDP. The FY2023 MGL Annual Report and independent assurance statement are available at Macquarie.com/ESG.

[1] DEFRA Government GHG Conversion Factors for Company Reporting: Methodology Paper for Emission Factors (2019)

2. Disclosure
Emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

	FY2023	FY2022	FY2021
Direct emissions associated with diesel, natural gas and refrigerants usage (Scope 1 emissions)[1] (tCO_2e)	-	-	-
Indirect emissions from electricity consumption (Scope 2 emissions) (location-based) (tCO_2e)	20.23	22.91	22.57
Indirect emissions from electricity consumption (Scope 2 emissions)[2] (tCO_2e) (market-based)	-	-	-
Intensity ratios: Scope 2 emissions (tCO_2e)/m^2 (market-based)	-	-	-
Intensity ratios: Total emissions (tCO_2e per capita) (market-based)	-	-	-
Energy consumption - from electricity (kWh)	104,625	107,916	96,815

[1] No natural gas, diesel or refrigerants have been consumed at the premises.

[2] MGL has sourced the equivalent of 100% of our electricity consumption from renewable sources.

Other indirect emissions associated with our client portfolio (Scope 3 emissions)
The GIG's mission is to accelerate the green transition. Its mission is hardwired into the way the GIG does business and protected by the independent trustees of the Green Purposes Company. To ensure its projects align to its mission, every GIG project is individually rated against its Green Investment Criteria and it publishes details of its green impact on its website.

For more details visit https://www.greeninvestmentgroup.com/.

Energy efficiency measures in the reporting year
The energy consumed at the Morrison Street office decreased by 3% from FY2022.

The Morrison Street office provides a range of sustainability features, having achieved a BREEAM 'Excellent' and EPC 'B+' rating. The building has been developed with low carbon energy technology, low water use systems, energy efficient lifts and low-e glass glazing.

Directors' Report
for the financial year ended 31 March 2023 (continued)

Streamlined energy and carbon reporting ("SECR") requirement (unaudited) (continued)

2. Disclosure (continued)

Energy efficiency measures in the reporting year (continued)

This year, all of the energy consumed at Morrison Street was sourced from renewable energy, in line with MGL's RE100 commitment to source 100% renewable electricity across our global offices and data centres by 2025. MGL has sourced the equivalent of 100% of our electricity consumption from renewable sources through a combination of renewable energy from landlords or utilities (24%) and energy attribute certificates (76%).

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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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,

Philipp Rasi De Mel:
Director

19 December 2023

Profit and loss account
for the financial year ended 31 March 2023

	Note	2023 £000	2022 £000
Turnover	4	**384,453**	6,080
Administrative expenses	4	**(2,976)**	(19,816)
Other operating (expenses)/income	4	**(117)**	6,927
Operating profit/(loss)		**381,360**	(6,809)
Interest receivable and similar income	4	**2,763**	221
Interest payable and similar expenses	4	**(69)**	(88)
Profit/(loss) before taxation	4	**384,054**	(6,676)
Tax on profit/(loss)	6	**(790)**	3,064
Profit/(loss) for the financial year		**383,264**	(3,612)

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

Turnover and profit/(loss) 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.

Balance sheet
as at 31 March 2023

	Notes	2023 £000	2022 £000
Fixed assets			
Tangible assets and right-of-use assets	8	**1,868**	407
Investments	9, 10, 11	**140,000**	140,574
Deferred tax assets	13	**1,573**	2,379
		143,441	143,360
Current assets			
Loan assets	12	**-**	85
Debtors	14	**105,360**	105,742
Current liabilities			
Creditors: amounts falling due within one year	15	**(3,448)**	(8,295)
Net current assets		**101,912**	97,532
Total assets less current liabilities		**245,353**	240,892
Creditors: amounts falling due after more than one year	16	**(1,464)**	(100)
Net assets		**243,889**	240,792
Capital and reserves			
Called up share capital	17	**1,567**	1,567
Other reserves	18	**79,007**	79,174
Profit and loss account	18	**163,315**	160,051
Total capital and reserves		**243,889**	240,792

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 15 to 45 were approved by the Board of Directors on 19 December 2023 and were signed on its behalf by:

Philipp Rasi De Mel
Director

Statement of changes in equity
for the financial year ended 31 March 2023

	Note	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total capital reserves £000
Balance as at 1 April 2021	18	1,567	78,707	163,663	243,937
Loss for the financial year		-	-	(3,612)	(3,612)
Total comprehensive expense		-	-	**(3,612)**	**(3,612)**
Transactions with equity holders in their capacity as ordinary equity holders:					
Contribution from ultimate parent entity in relation to share-based payments	18	-	467	-	467
Balance as at 31 March 2022		**1,567**	**79,174**	**160,051**	**240,792**
Profit for the financial year	18	-	-	383,264	383,264
Total comprehensive income		-	-	**383,264**	**383,264**
Transactions with equity holders in their capacity as ordinary equity holders:					
Ultimate parent entity in relation to share-based payments	18	-	(167)	-	(167)
Dividends paid	7	-	-	(380,000)	(380,000)
Balance as at 31 March 2023		**1,567**	**79,007**	**163,315**	**243,889**

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.

Notes to the financial statements for the financial year ended 31 March 2023

Note 1. Company information

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom and registered in Scotland. The address of its registered office is Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, Scotland, United Kingdom.

The principal activities of the Company during the financial year ended 31 March 2023 ("current financial year") were the making and holding of green investments either directly or through its subsidiary companies and the employment of staff deployed in the making and management of green investments and ancillary activities.

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 MGL, a Company incorporated in Australia. These financial statements are separate financial statements.

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 2023, the Company had net assets of £243,889,000 (2022: £240,792,000). The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (which has been taken as at least 12 months from the date of approval of the financial statements). 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.

(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 UK adopted accounting standards ("IFRS").

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

- The requirements of paragraphs 45(b) and 46-52 of IFRS 2 'Share-based Payment' (details of the number and weighted average exercise price of share-based payment arrangements concerning equity instruments of another group entity and how the fair value of goods or services received was determined).
- The requirements of IFRS 7 'Financial Instruments: Disclosures'.
- 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.
- The requirements of paragraphs 38 of International Accounting Standards ("IAS") 1 'Presentation of Financial Statements' to present comparative information in respect of:

  - Paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding).
  - Paragraph 73(e) of IAS 16 'Property, Plant and Equipment'.
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' (additional comparatives).
- The requirements of IAS 7 'Statement of Cash Flows'.

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 2. Basis of preparation (continued)

(iii) Disclosure exemptions (continued)

- 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 and 18A 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'.

(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:

- 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)).

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) 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 annual reporting period beginning on 1 April 2022 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.

Transactions and balances

At initial recognition, a foreign currency transaction is translated into the entity's functional currency using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary assets and liabilities are translated using the closing exchange rate
- non-monetary items (including equity) measured in terms of historical cost in a foreign currency remain translated using the spot exchange rate at the date of the transaction, and
- non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date that the fair value was measured.

Foreign exchange gains and losses arising from the settlement or translation of monetary items, or non-monetary items measured at fair value are recognised in other operating expense (see Note 4).

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(i) Foreign currency translation (continued)

Transactions and balances (continued)
For the detailed policy on Financial instruments refer to Note 3(iv).

(ii) Revenue and expense recognition

Net interest income/(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.

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 subsequently classified as credit impaired (Stage 3), is recognised by applying the EIR to the amortised cost carrying value (being the gross carrying value after deducting the impairment loss).

Fee and commission income
Revenue earned by the Company from its contracts with customers primarily consists of the following categories of fee and commission income:

Base and other asset management fees and performance fees - The Company earns base and other asset management and performance fees for providing asset management services for listed and unlisted funds, managed accounts and co-investments arrangements. It has been determined that the provision of asset management services is typically a single performance obligation.

Base management fees are recognised over the life of the contract as the asset management services are provided. Any associated performance fees are deemed to be a variable component of the same asset management service and are recognised only when it is highly probable that the performance hurdles are met, and a significant reversal of cumulative fees recognised to date will not occur. Determining the amount and timing of performance fees to be recognised involves judgement, the use of estimates (including management estimates of underlying asset values) and consideration of a number of criteria relating to both, the fund in which the asset(s) are held, as well as the underlying asset(s), such as:

- the extent to which performance fee liabilities have been accrued by the fund or managed account to date or consideration of the current valuation case of the assets in relation to the performance fee hurdle rate;
- the proportion of assets realised and returns on those assets;
- nature of remaining underlying fund or managed account's assets and potential downside valuation risks on each;
- time remaining until realisation of the assets and the fund's life or asset management services' timeline; and
- consideration of the ability to dispose of the asset, including any barriers to divest.

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(ii) Revenue and expense recognition (continued)

Fee and commission income (continued)
Where mandates contain rights to invoice upon reaching certain milestones, the Company assesses whether distinct services have been transferred at these milestones and accordingly recognises revenue. If not, the fee recognition will be deferred until such time as the performance obligation has been completed. Management of capital raisings and underwriting of debt or equity capital raisings are each considered distinct performance obligations that are typically satisfied on the allocation date of the underwritten securities.

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

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

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

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

Dividends
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.

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 /expenses 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 under Administrative expenses in the Company's profit and loss account 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 basis of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Notes to the financial statements

for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(iii) Taxation (continued)

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

Deferred tax 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 on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

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

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

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

Value-Added Tax (VAT)

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

(iv) Financial instruments

Recognition of financial instruments

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

A financial instrument is initially recognised at fair value 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.

Financial assets

Financial assets are de-recognised from the balance sheet when:

- the contractual 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
   - 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 financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(iv) Financial instruments (continued)

Financial assets (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.

Financial liabilities

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

Classification and subsequent measurement

Financial assets

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

Business model assessment

The Company 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 (SSPI)

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 contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements; and
ii) the financial asset has not been classified as Designated as fair value through profit and loss "DFVTPL".

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

Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria to be measured at amortised cost or fair value through other comprehensive income ("FVOCI") are subsequently measured at FVTPL.

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

- 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
- 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).

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(iv) Financial instruments (continued)

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

The Company does not reclassify financial liabilities after initial recognition.

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.

(v) Loan assets
This category includes loans that are not held for trading purposes and typically includes the Company's lending activities to its customers.

Loan assets are initially recognised on settlement date at fair value (adjusted for directly attributable transaction costs for loan assets subsequently measured at amortised cost or FVOCI) and subsequently measured in accordance with Note 3(iv) Financial Instruments.

Certain finance lease receivables are also presented as part of asset financing within loan assets. For the detailed policy on financial instruments, including treatment on derecognition, refer to Note 3(iv) Financial Instruments.

(vi) 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 entity'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.

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(vii) Tangible assets and Right-of-use ("ROU") assets

Tangible assets are stated at historical cost (which includes, where applicable, directly attributable borrowing costs and expenditure directly attributable to the acquisition of the asset) less, accumulated depreciation and, where applicable, accumulated impairment losses.

ROU assets are measured at cost and comprise of the amount that corresponds to the amount recognised for the lease liability on initial recognition together with any lease payments made at or before the commencement date (less any lease incentives received), initial direct costs and restoration-related costs. Subsequently, it is stated at historical cost less accumulated depreciation and, where applicable, impairment losses, and adjusted for remeasurement of lease liabilities.

Tangible assets and ROU assets include assets leased out under operating leases.

Depreciation is the process to allocate the difference between cost and residual values over the estimated useful life. Where the residual value exceeds the carrying value, no depreciation is charged. Depreciation is calculated on the following basis:

- straight-line basis for all assets

A ROU asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Annual depreciation rates are summarised below:

Tangible Assets	Depreciation rates
Furniture, fittings and leasehold improvements[1]	10 to 20%
Computer Equipment	23 to 50%

[1] Where remaining lease terms are less than five years (20%), leasehold improvements are depreciated over the remaining lease term.

Useful lives, residual values and depreciation methods are reviewed annually and reassessed in the light of commercial and technological developments. Gains and losses on disposal are determined by comparing the proceeds with the asset's carrying amount and are recognised as part of other operating income and charges in the profit and loss account.

The depreciation charge is recognised as part of Administrative expenses.

The Company does not recognise a ROU asset for short term or low value leases, instead the expense is recognised over the lease term as appropriate as part of operating expenses in the profit and loss account.

(viii) Provisions and contingent liabilities

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

Contingent liabilities are either possible obligations whose existence will be confirmed only by uncertain future events, or they are present obligations where a transfer of economic resources is not probable or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless an outflow of economic resources is remote.

Contingent liabilities, which generally include letters of credit, performance-related contingents and guarantees are disclosed in Note 23 Contingent liabilities and commitments.

(ix) 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.

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(x) Impairment

Expected credit losses ("ECL")

The ECL requirements apply to financial assets measured at amortised cost and FVOCI, 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 year 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. Stage 1 also includes financial assets where the credit risk has improved and the instrument has been reclassified from stage 2.

(ii) Stage 2 – 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.

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 adjusted, where appropriate, for prepayments, extension, call and similar options, of the financial asset. For revolving facilities, the Company exercises judgement based on the behavioural, rather than contractual characteristics of the facility type. Stage 2 may include financial assets where the credit risk has improved and has been reclassified from stage 3.

(iii) Stage 3 – 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.

Presentation of loss allowances

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

- loan assets, 'Amounts due from other Macquarie group entities, loans to associates measured at amortised cost – as a deduction to the gross carrying amount.
- loan assets, loans to associates, 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.

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(x) Impairment (continued)
Expected credit losses ("ECL") (continued)

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

Impairment of interests in 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.

Impairment of tangible assets and right-of-use assets
For tangible assets and right-of-use assets, an assessment is made at each reporting date for indications of impairment.

Impairment losses are recognised in other impairment charges as part of other operating income/expenses for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(xi) Performance based remuneration
Share-based payments
The ultimate parent Company, MGL, operates share-based compensation plans, which include awards (including those delivered through the Macquarie Group Employee Retained Equity Plan ("MEREP") granted to employees under share acquisition plans. Information relating to these schemes is set out in Note 22 Employee equity participation.

The awards are measured at the grant date based on their fair value and using the number of equity instruments expected to

The Company accounts for its share-based payments as follows:

Equity settled awards: The awards are measured at their grant date fair value and based on the number of equity instruments expected to vest. Expenses are recognised as part of employment expenses with a corresponding increase in equity with reference to the vesting period of those awards. Performance hurdles attached to Performance Share Units ("PSUs") under the MEREP are not taken into account when determining the fair value of the PSUs at the grant date. Instead, these vesting conditions are taken into account by adjusting the number of equity instruments expected to vest. On vesting, the amount recognised in the share-based payment reserve is transferred to contributed equity.

For the Company, the accounting is dependent on whether the Company is compensated for its obligations under the MEREP award. To the extent that employing subsidiaries compensate the Company for the MEREP offered to their employees, a recharge liability due to subsidiaries is recognised by the Company at grant date representing the payment received in advance of the award being settled. This liability reduces over the vesting period with a corresponding increase in the share-based payments reserve. MEREP liabilities are recognised and disclosed in Note 22 *Related party information*. To the extent that employing subsidiaries do not compensate the Company for the MEREP offered to their employees', the Company reflects the provision of the equity settled award as a contribution to its subsidiary and as a result increases its investment in subsidiary with a corresponding increase in the share-based payments reserve. On vesting, amounts recognised in the share-based payments *reserve are transferred to contributed equity.*

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

(xi) Performance based remuneration (continued)

Share-based payments (continued)

Cash settled awards: The award liability is measured with reference to the number of awards and the fair value of those awards at each reporting date. Expenses are recognised as part of employment expenses with reference to the vesting period of those awards. Changes in the value of the liability are recognised in employment expenses.

Profit share remuneration

The Company recognises a liability and an expense for profit share remuneration to be paid in cash with reference to the performance period to which the profit share relates.

(xii) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. At inception, or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component unless an election is made to account for the lease and non-lease components as a single lease component.

(a) Accounting where the Company is the lessee

The Company leases corporate buildings, commodity storage facilities, technology and other equipment for which contracts are typically entered into for fixed periods of 12 months to 33 years and may include extension options. Leases are recognised as a ROU asset (as explained in Note 3(vii) *Tangible assets and right-of-use assets*) and a corresponding liability at the commencement date, being the date the leased asset is available for use by the Company.

Lease liabilities

Lease liabilities are initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Lease payments are allocated between principal and interest expense. Interest expense is, unless capitalised on a qualifying asset which is not measured at fair value, recognised as part of interest and similar expense in the profit and loss account over the lease period on the remaining lease liability balance for each period. Any variable lease payments not included in the measurement of the lease liability are also recognised as other administrative expenses in the period in which the event or condition that triggers those payments occurs.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in lease term, an assessment of an option to purchase the underlying asset, an index or rate, or a change in the estimated amount payable under a residual value guarantee.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying value of the ROU asset, or, as other administrative expenses, where the carrying value of the ROU asset has been reduced to zero.

Presentation

The Company presents ROU assets in *Tangible Assets & right of use assets* (refer to Note 8) and lease liabilities in *Creditors: amounts falling due after more than one year* (refer to Note 16) in the balance sheet.

(xiii) Called up share capital

Ordinary shares and other similar instruments are classified as equity.

(xiv) Rounding of amounts

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

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 4. Profit/(loss) before taxation

	2023 £000	2022 £000
Turnover		
Advisory services	-	216
Dividend income	380,000	870
Service fees received from other Macquarie Group undertakings	4,398	4,959
Other income	55	35
Total turnover	384,453	6,080
Administrative expenses		
Wages and salaries	(900)	(9,450)
Social security costs	(77)	(743)
Share-based payment costs	(211)	(2,763)
Other staff costs	(28)	(121)
Other pension costs	(19)	(185)
Total staff costs	(1,235)	(13,262)
Service fees paid to Macquarie Group undertakings	(162)	(2,761)
Auditors' remuneration		
- Fees payable to the Company's auditors for the audit of the Company[1]	(65)	(52)
Resource charge from Macquarie Group undertakings	(961)	(2,462)
Depreciation charges	(358)	(327)
Professional fees	(30)	(140)
Rent and occupancy income/(costs)	324	(78)
Other administrative expenses	(489)	(734)
Total administrative expenses	(2,976)	(19,816)
Other operating (expenses)/income		
Foreign exchange gains/(losses)	8	(51)
Credit impairment (charges)/reversals	(88)	975
Other impairment reversals		
Interest in associate	-	6,003
Other operating expenses	(37)	-
Total other operating (expenses)/income	(117)	6,927
Interest		
Interest receivable and similar income from: [2]		
Other Macquarie Group undertakings	2,763	221
Total interest receivable and similar income	2,763	221
Interest payable and similar expenses to: [3]		
Other Macquarie Group undertakings	(11)	(61)
Unrelated parties	(58)	(27)
Total interest payable and similar expenses	(69)	(88)

[1] Fees payable to the Company's auditors for current year includes £3,000 relating to previous year (2022:£10,000).

[2] Includes interest income calculated using effective interest method of £2,763,000 (2022: £221,000) on the financial assets in the Company that are measured at amortised cost.

[3] Includes interest expense of £69,000 (2022: £88,000) on the financial liabilities measured at amortised cost.

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 5. Employee information

The average number of persons employed by the Company during the year calculated on a monthly basis was:

By activity	No. of employees 2023	No. of employees 2022
Advisory and sales	4	25
Administration and support services	1	2
Total employees	**5**	27

Note 6. Tax on profit/(loss)

	2023 £000	2022 £000
(i) Tax expense/(credit) included in profit or loss		
Current tax		
UK corporation tax at 19% (2022: 19%)	266	(2,100)
Adjustment in respect of previous periods	(31)	(56)
Total current tax	**235**	(2,156)
Deferred tax		
Origination and reversal of temporary differences	362	(541)
Adjustment in respect of previous periods	60	70
Effect of rate change	133	(437)
Total deferred tax	**555**	(908)
Tax on profit/(loss)	**790**	(3,064)

(ii) Reconciliation of effective tax rate

The income tax expense/(credit) for the period is lower (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023	2022
Profit/(loss) before taxation	**384,054**	(6,676)
Current tax charge/(credit) at 19% (2022: 19%)	72,970	(1,268)
Effects of:		
Adjustment in respect of previous periods	29	14
Non-deductible income/(expenses)	19	(33)
Effect of rate change	133	(437)
Non-assessable income	(72,201)	(1,310)
Share-based payments	(160)	(30)
Total tax on profit/(loss)	**790**	(3,064)

The UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Note 7. Dividends paid

	2023 £000	2022 £000
Ordinary share capital:		
Interim dividend paid (2023: £2,424 (2022: £nil) per share)	380,000	-
Total dividends paid (Note 18)	**380,000**	-

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 8. Tangible assets and ROU assets

As at 31 March 2023	Cost £000	Accumulated depreciation and impairment £000	Carrying Value £000
Assets for own use			
Furniture, fittings and leasehold improvements	568	(538)	30
Computer and communication equipment	136	(134)	2
Total assets for own use	**704**	**(672)**	**32**
Right-of-use assets			
Office premises	2,937	(1,101)	1,836
Total right-of-use assets	**2,937**	**(1,101)**	**1,836**
Total tangible assets & right-of-use assets	**3,641**	**(1,773)**	**1,868**

The majority of the above amounts have expected useful lives longer than 12 months after the balance date.

The movement in the carrying value of the Company's tangible assets and right-of-use assets was as follows:

Assets for own use	Furniture, fittings and leasehold improvements £000	Computer equipment £000	Total £000
Balance at 1 April 2022			
Cost	555	134	689
Accumulated depreciation and impairment	(532)	(132)	(664)
Net balance at 1 April 2022	23	2	25
Movement during the year			
Acquisitions	13	2	15
Depreciation (Note 4)	*(6)*	*(2)*	*(8)*
Balance at 31 March 2023			
Cost	568	136	704
Accumulated depreciation and impairment	(538)	(134)	(672)
Net balance at 31 March 2023	**30**	**2**	**32**

Right-of-use assets	Property £000	Total £000
Balance at 1 April 2022		
Cost	1,134	1,134
Accumulated depreciation and impairment	(752)	(752)
Net balance at 1 April 2022	382	382
Movement during the year		
Acquisitions	1,804	1,804
Depreciation (Note 4)	(350)	(350)
Balance at 31 March 2023		
Cost	2,938	2,938
Accumulated depreciation and impairment	(1,102)	(1,102)
Balance at 31 March 2023	**1,836**	**1,836**

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 9. Investments	2023 £000	2022 £000
Interests in associates (Note 10)	-	574
Investments in subsidiaries (Note 11)	**140,000**	140,000
Total Investments	**140,000**	140,574

Note 10. Interests in associates	2023 £000	2022 £000
Equity investments with provision for impairment	-	574
Total interests in associates[1][2]	-	574

[1] Financial statements of associates have various reporting dates which have been adjusted to align with the Company's reporting date.

[2] There are no associates that are individually material to the Company.

Reconciliation of movement:	Cost	Impairment	Net carrying value
	£000	£000	£000
Balance at 31 March 2022	**574**	-	574
Return of capital	**(531)**	-	**(531)**
Impairment	-	**(43)**	**(43)**
Balance at 31 March 2023	**43**	**(43)**	-

The Company holds a 10% interest (2022: 10%) in UK Green Infrastructure Platform Limited and accounts for it as an interest in associate on the basis of exercising significant influence through its advisory contract, Board representation and secondment of key management. The carrying value of the investment in associate represents the recoverable value of the Company's share as determined on the basis of its value in use ("VIU"). As at 6 April 2022, the associate entered voluntary liquidation and has been written down in full where no value is expected to be recovered.

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

Name of entity	Principal activity	Ownership interest 2023 %	Ownership interest 2022 %
UK Green Infrastructure Platform Limited[1]	Holding company	**10**	10

(1) The registered address is 1 More London Place, London, SE1 2AF, UK.

Note 11. Investments in subsidiaries

	2023 Investments at cost with no *provisions for* impairment[1]	2022 Investments at cost with no *provisions for* impairment[1]
	£	£
Opening balance	140,000	140,000
Additions	-	-
Disposals	-	-
Closing balance	**140,000**	**140,000**

[1] In accordance with the Company's accounting policies, the Company reviewed its investments in subsidiary for indicators of impairment. The result of this assessment determined no impairment was required to be recognised during the financial year for its subsidiaries.

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 11. Investments in subsidiaries (continued)

The material subsidiary of the Company, based on contribution to the Company's profit/(loss) after income tax, the size of the investment made by the Company or the nature of activities conducted by the subsidiary, is:

Name of subsidiary	Nature of business	Place of incorporation	2023 % ownership	2022 % ownership[3]	2023 £000	2022 £000
Green Investment Group Limited	Holding company	UK[1]	100%	100%	**140,000**	140,000
UK Green *Community Lending* Limited	*Holding company*	UK[2]	100%	100%	**-**	-
Total investments in subsidiaries					**140,000**	140,000

[1]The registered office is Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, Scotland.

(2)The registered office is Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, UK.

[3]There was no change in ownership % from the prior year.

The subsidiaries have a 31 March reporting date.

Note 12. Loan assets

Finance lease receivables

Finance lease receivables are included within loan assets and represent the present value of lease rentals to be received from sub-tenants on the sub-let premises located at Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, Scotland, UK.

	2023			2022		
	Gross	**ECL allowance**	**Net**	Gross	ECL allowance	Net
	£000	**£000**	**£000**	£000	£000	£000
Finance lease receivables[1][2]	-	-	-	85	-	85
Total loan assets	-	-	-	85	-	85

[1]There was no contractual undiscounted cashflows of the Company outstanding.

[2]There were no receivables under finance leases as at 31 March 2023.

Note 13. Deferred tax assets

	Other assets and liabities	Fixed assets	Total
Balance as at 1 April 2021	924	86	**1,010**
Deferred tax charged to profit and loss account for the year	**910**	**11**	**921**
Deferred tax charged to equity	**448**	**-**	**448**
Balance as at 31 March 2022	2,282	97	**2,379**
Deferred tax charge to profit and loss account for the year	**(541)**	**(14)**	**(555)**
Deferred tax charged to equity	**(250)**	**-**	**(250)**
Balance as at 31 March 2023	**1,491**	**83**	**1,574**

The above amounts are expected to be recovered after 12 months of the balance date by the Company.

In applying judgement in recognising deferred tax assets, management has assessed all available information, including future business profit projections. Management's assessment of the likely availability of future taxable profits against which to recover deferred tax assets is based on the most recent financial forecasts approved by management, takes into consideration the reversal of existing taxable temporary differences and past business performance.

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 14. Debtors

	2023 £000	2022 £000
Amounts owed by other Macquarie Group undertakings[1]	105,303	103,190
Income tax receivables	-	2,120
Prepayments and accrued income	25	394
VAT recoverable	29	31
Fees and other receivables	-	2
Other debtors	3	5
Total debtors	105,360	105,742

[1]Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment.

At the reporting date, amounts owed from other Macquarie Group undertakings have ECL allowance of £23,000 (2022: £85,000) which is net presented against the gross carrying amount.

Note 15. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Amounts owed to other Macquarie Group undertakings[1]	(780)	(268)
Accruals and deferred income	(629)	(4,302)
Lease liabilities	(392)	(391)
Taxation	(181)	-
Other creditors	(1,466)	(3,334)
Total creditors: amounts falling due within one year	(3,448)	(8,295)

[1]Amounts due to other Macquarie Group undertakings are unsecured and have no fixed date of repayment.

Note 16. Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Lease liabilities	(1,464)	(100)
Total creditors: amounts falling due after more than one year	(1,464)	(100)

Note 17. Called up share capital

	2023 Number	2022 Number	2023 £000	2022 £000
Called up share capital				
Opening balance of fully paid ordinary shares at £0.01 per share	156,745	156,745	1,567	1,567
Closing balance of issued and fully paid ordinary shares at £0.01 per share	156,745	156,745	1,567	1,567

Note 18. Reserves and profit and loss account

	2023 £000	2022 £000
Equity contribution from parent entity		
Opening balance of equity contribution from parent entity	79,174	78,707
Capital (return)/contribution	(167)	467
Total equity contribution from parent entity	79,007	79,174
Total other reserves	79,007	79,174

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 18. Reserves and profit and loss account (continued)

Profit and loss account	2023 £000	2022 £000
Balance at the beginning of the financial year	**160,051**	163,663
Profit/(loss) for the financial year	**383,264**	(3,612)
Dividends paid on ordinary share capital (Note 7)	**(380,000)**	-
Balance at the end of the financial year	**163,315**	160,051

Note 19. Capital management strategy

The Company's capital management strategy is to maximise shareholder value through optimising the level and use of capital resources, whilst also providing the flexibility to take advantage of opportunities as they may arise.

The Company's capital management objectives are to:

- ensure sufficient capital resource to support the Company's business and operational requirements; and
- safeguard the Company's ability to continue as a going concern.

Periodic reviews of the Company's capital requirements are performed to ensure the Company is meeting its objectives. Capital is defined as share capital plus reserves, including profit and loss account.

Note 20. Related party information

As 100% of the voting rights of the Company are controlled within the group headed by MGL, incorporated in Australia, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the Macquarie Group. The consolidated financial statements of MGL, within which the Company is included, can be obtained from the address given in Note 24.

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

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

The Company does not have any related party transactions or balances other than those with entities which form part of the Macquarie Group as mentioned below and the loans and investments in associates. All transactions with related entities were made on normal commercial terms and conditions and at market rates except where indicated.

Investments held by Company's subsidiaries:

Details of holdings by related party undertakings are as below:

Name of related party	Registered office	2023 % ownership	Class of shares
Subsidiaries of Green Investment Group Limited			
Fleete Group Limited	UK[2]	100%	Ordinary
Green Investment Group Investments Limited	UK[3]	100%	Ordinary
Bilbao Offshore TopCo Limited	UK[1]	100%	Ordinary
Cero Generation Limited	UK[2]	100%	Ordinary
Cero Generation Holdings France Limited	UK[2]	100%	Ordinary
Cero Generation Holdings Greece Limited	UK[2]	100%	Ordinary
Wattcrop Projects UK Limited	UK[2]	67%	Ordinary

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 20. Related party information (continued)

Name of related party	Registered office	2023 % ownership	Class of shares
Wattcrop Hellas I.K.E	Greece[6]	67%	Share parts
Cero Generation Holdings Italy Limited	UK[2]	100%	Ordinary
Solar Italy III S.R.L.	Italy[7]	100%	Quota
Solar Italy VI S.R.L.	Italy[7]	100%	Quota
Sole Renewables Limited	UK[2]	90%	Ordinary
Sole Renewables Italy Limited	UK[2]	90%	Ordinary
Energia Verde Trapani S.R.L.	Italy[8]	90%	Quota
SOL PV1 S.R.L.	Italy[9]	90%	Quota
SR Augusta S.R.L.	Italy[10]	90%	Ordinary
SR Bari S.R.L.	Italy[10]	90%	Ordinary
SR Project 1 S.R.L.	Italy[10]	90%	Ordinary
SR Project 4 S.R.L.	Italy[10]	90%	Ordinary
SR Project 5 S.R.L.	Italy[10]	90%	Ordinary
SR San Giuseppe S.R.L.	Italy[10]	90%	Ordinary
SR Taranto S.R.L.	Italy[10]	90%	Ordinary
SR Torino S.R.L.	Italy[10]	90%	Ordinary
SR Trapani S.R.L.	Italy[10]	90%	Ordinary
Sonne (Italy) Holdings Limited	UK[2]	100%	Ordinary
Trisol 81 S.r.l.	Italy[7]	100%	Ordinary
Trisol 82 S.r.l.	Italy[7]	100%	Quota
Cero Generation Holdings Spain Limited	UK[2]	100%	Ordinary
Tencata Servicios Empresariales, S.L.	Spain[14]	100%	Ordinary
Encina New Energy S.L.	Spain[14]	80%	Ordinary
Ficus Solar PV, S.L.	Spain[14]	80%	Ordinary
Manzano Solar PV, S.L.	Spain[14]	80%	Ordinary
Solar-PV EXT 001 Sociedad Limitada	Spain[14]	80%	Ordinary
Ticopa Servicios Empresariales, S.L.	Spain[14]	100%	Ordinary
Abeto New Energy S.L.	Spain[14]	80%	Ordinary
Loto Solar PV, S.L.	Spain[14]	80%	Ordinary
Magnolia Solar PV, S.L.	Spain[14]	80%	Ordinary
Olivo New Energy S.L.	Spain[14]	80%	Ordinary
Sabina Solar PV S.L.	Spain[14]	80%	Ordinary
Sauce New Energy, S.L.	Spain[14]	80%	Ordinary
Cero Generation Holdings UK Limited	UK[2]	100%	Ordinary
Clifton Investment Holdings Limited	UK[2]	100%	Ordinary
NRG 1 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 2 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 3 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 4 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 5 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 6 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 7 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 8 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 9 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 10 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 11 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 20. Related party information (continued)

Name of related party	Registered office	2023 % ownership	Class of shares
NRG 12 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 13 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 14 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 15 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 16 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 17 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
NRG 18 spółka z ograniczoną odpowiedzialnością	Poland[18]	100%	Ordinary
Cero Generation Services Limited	UK[2]	100%	Ordinary
Cero Generation Services Limited, Sucursal en España	Spain[15]	100%	Ordinary
Cero Services Italy S.R.L	Italy[20]	100%	Quota
Chablis TK Holdings Limited	UK[2]	100%	Ordinary
CHAPTRE GreenCo Holdings Limited	UK[2]	100%	Ordinary
Corio Generation Limited	UK[2]	100%	Ordinary
GIG OSW Extension TopCo Limited	UK[2]	100%	Ordinary
FEMA HOLDCO PTE. Limited	Singapore[23]	100%	Ordinary
GIG AUSTRALIAN OFFSHORE WIND ENERGY HOLDINGS PTY LTD	Australia[24]	100%	Ordinary
GREAT SOUTHERN OFFSHORE WIND FARM PTY LIMITED	Australia[24]	100%	Ordinary
GREAT SOUTHERN OFFSHORE WIND FARM PROJECT CO PTY LTD	Australia[24]	100%	Ordinary
GIG Australian Offshore Wind Investments HoldCo Limited	UK[2]	100%	Ordinary
GIG OSW Service Company Limited	UK[2]	100%	Ordinary
Philippines OSW Investments Limited	UK[2]	100%	Ordinary
Green Empire WtE Holdings Limited	UK[2]	100%	Ordinary
Kusten Offshore Holding Company Limited	UK[2]	100%	Ordinary
Favonius AB	Sweden[27]	100%	Ordinary
Lapin Investment Limited	UK[2]	100%	Ordinary
Lochlann HoldCo Limited	UK[3]	100%	Ordinary
Lochlann TopCo Limited	UK[3]	100%	Ordinary
Maryland TopCo Limited	UK[2]	100%	Ordinary
Nordic Renewable Power Holdings (UK) Limited	UK[2]	100%	Ordinary
NORGH HOLDING COMPANY LIMITED	UK[2]	100%	Ordinary
Pakaa HoldCo ApS	Denmark[32]	100%	Ordinary
Poland Wind HoldCo Limited	UK[2]	100%	Ordinary
Renewables HoldCo Limited	UK[2]	100%	Ordinary
Sea Lion Wind Holdco Limited	UK[2]	100%	Ordinary
Vanadium Holdco Limited	UK[2]	100%	Ordinary
Enso Green Holdings Limited	UK[2]	75%	Ordinary
Aberthaw Green Limited	UK[2]	75%	Ordinary
Bolney Green Limited	UK[2]	75%	Ordinary
Bramford Green Limited	UK[2]	75%	Ordinary
Bramley Solar Limited	UK[2]	75%	Ordinary
Bridgwater Green Limited	UK[2]	75%	Ordinary
Cowley Baldon Green Limited	UK[2]	75%	Ordinary
Elstree Green Limited	UK[2]	75%	Ordinary
Enso Green Holdings A Limited	UK[2]	75%	Ordinary
Enso Green Holdings B Limited	UK[2]	75%	Ordinary
Enso Green Holdings C Limited	UK[2]	75%	Ordinary

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 20. Related party information (continued)

Name of related party	Registered office	2023 % ownership	Class of shares
Enso Green Holdings D Limited	UK[2]	75%	Ordinary
Enso Green Holdings E Limited	UK[2]	75%	Ordinary
Enso Green Holdings F Limited	UK[2]	75%	Ordinary
Enso Green Holdings G Limited	UK[2]	75%	Ordinary
Enso Green Holdings H Limited	UK[2]	75%	Ordinary
Enso Green Holdings I Limited	UK[2]	75%	Ordinary
Enso Green Holdings J Limited	UK[2]	75%	Ordinary
Enso Green Holdings K Limited	UK[2]	75%	Ordinary
Enso Green Holdings L Limited	UK[2]	75%	Ordinary
Enso Green Holdings M Limited	UK[2]	75%	Ordinary
Enso Green Holdings N Limited	UK[2]	75%	Ordinary
Enso Green Holdings O Limited	UK[2]	75%	Ordinary
Iron Acton Green Limited	UK[2]	75%	Ordinary
Enso Green Holdings P Limited	UK[2]	75%	Ordinary
Enso Green Holdings Q Limited	UK[2]	75%	Ordinary
Enso Green Holdings R Limited	UK[2]	75%	Ordinary
Enso Green Holdings SS Limited	UK[2]	75%	Ordinary
Enso Green Holdings T Limited	UK[2]	75%	Ordinary
Enso Green Holdings U Limited	UK[2]	75%	Ordinary
Enso Green Holdings V Limited	UK[2]	75%	Ordinary
Enso Green Holdings W Limited	UK[2]	75%	Ordinary
Enso Green Holdings X Limited	UK[2]	75%	Ordinary
Enso Green Holdings Y Limited	UK[2]	75%	Ordinary
Enso Green Holdings Z Limited	UK[2]	75%	Ordinary
Fleet Green Limited	UK[2]	75%	Ordinary
Lovedean Green Limited	UK[2]	75%	Ordinary
Melksham Calne Green Limited	UK[2]	75%	Ordinary
Pembroke Green Limited	UK[2]	75%	Ordinary
Rayleigh Green Limited	UK[2]	75%	Ordinary
Wylfa Green Limited	UK[2]	100%	Ordinary
Paseta Servicios Empresariales, S.L.	Spain[14]	100%	Ordinary
Alabastro New Energy S.R.L.	Italy[37]	70%	Ordinary
Ametista New Energy S.R.L.	Italy[37]	70%	Ordinary
Ant Solar S.R.L.	Italy[37]	70%	Ordinary
BRIGADEIRO HOLDINGS LIMITED	UK[2]	99%	Ordinary
Cat Energy S.R.L.	Italy[37]	70%	Ordinary
Cero Development Hellas Single Member S.A.	Greece[4]	100%	Ordinary
Cero France SAS	France[40]	100%	Ordinary
Cero Generation Holdings Germany Limited	UK[2]	100%	Ordinary
Cero Generation Holdings Poland Limited	UK[2]	100%	Ordinary
Cero Generation Poland Spółka Z Ograniczoną Odpowiedzialnością	Poland[43]	100%	Ordinary
Cero Generation Services Greece Single Member Private Company	Greece[6]	100%	Ordinary
Cero Italy Projects 1 S.R.L.	Italy[20]	100%	Quota
Cero Italy Projects 2 S.R.L.	Italy[20]	100%	Quota
Cero Italy Projects 3 S.R.L.	Italy[20]	100%	Quota
Cero Italy Projects S.R.L.	Italy[20]	100%	Quota
Cero Polska 1 Spółka Z Ograniczoną Odpowiedzialnością	Poland[43]	100%	Ordinary

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 20. Related party information (continued)

Name of related party	Registered office	2023 % ownership	Class of shares
Cero Polska 2 Spółka Z Ograniczoną Odpowiedzialnością	Poland[43]	100%	Ordinary
Cobalto New Energy S.R.L.	Italy[37]	70%	Ordinary
CORIO GENERATION KOREA LIMITED	Republic of Korea[22]	100%	Ordinary
Corio Generation Service Company Limited	UK[2]	100%	Ordinary
Corio Generation Taiwan Limited	Taiwan[25]	100%	Ordinary
Corio OSW Holdings LLC	United States	100%	Membership Interest
Corio OSW Investments LLC	United States	100%	Membership Interest
Dunite New Energy S.R.L.	Italy[37]	70%	Ordinary
EOS INVESTMENT LIMITED	UK[2]	50%	Ordinary
FEMOREN SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[44]	50%	Ordinary
Fluorite New Energy S.R.L.	Italy[37]	70%	Ordinary
Geradora Eólica Brigadeiro I Ltda.	Brazil[38]	99%	Quota
Geradora Eólica Brigadeiro II Ltda.	Brazil[38]	99%	Quota
Geradora Eólica Brigadeiro III Ltda.	Brazil[38]	99%	Quota
Geradora Eólica Brigadeiro IV Ltda.	Brazil[38]	99%	Quota
Geradora Eólica Brigadeiro V Ltda.	Brazil[38]	99%	Quota
Giada New Energy S.R.L.	Italy[37]	70%	Ordinary
GIG OSW Investments Appointer Limited	UK[2]	100%	Ordinary
GIG OSW Service Company Limited French Branch	France[41]	100%	Ordinary
GIG OSW Service Company Limited, Singapore Branch	Singapore[23]	100%	Ordinary
GIG OSW Service Company Limited, Sucursal En Espana	Spain[14]	100%	Ordinary
Gilda Energy Single Member Private Company	Greece[4]	100%	Ordinary
GREAT EASTERN OFFSHORE WIND FARM INVESTMENT PTY LTD	Australia[24]	100%	Ordinary
GREAT EASTERN OFFSHORE WIND FARM PROJECT CO PTY LTD	Australia[24]	100%	Ordinary
GREAT EASTERN OFFSHORE WIND FARM PTY LTD	Australia[24]	100%	Ordinary
Great Eastern Offshore Wind Farm UK HoldCo Limited	UK[2]	100%	Ordinary
Helios Serron SA	Greece[5]	100%	Ordinary
Hibiscus Energy Single Member Private Company	Greece[5]	100%	Ordinary
JBF Nearshore ApS	Denmark[39]	49%	Ordinary
Kiwi New Energy, S.L.	Spain[46]	70%	Ordinary
KW SOLAR I SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland[45]	50%	Ordinary
KW SOLAR II SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
KW SOLAR III SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
KW SOLAR V SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
KW SOLAR VI SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
KW SOLAR VII SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
KW SOLAR VIII SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
MACQUARIE CAPITAL VIETNAM GREEN INVESTMENTS PTE. LIMITED	Singapore[23]	100%	Ordinary
Maryland Investco Limited	UK[2]	51%	Ordinary
Milano Energy S.R.L.	Italy[37]	70%	Ordinary
OSW Investments Galloper JVCo (UK) Limited	UK[2]	50%	Ordinary
OSW Investments Japan JVCo 1 Limited	UK[2]	100%	Ordinary
OSW Investments Japan JVCo 2 Limited	UK[2]	100%	Ordinary
OSW Investments Korean JVCo 1 Limited	UK[2]	100%	Ordinary

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 20. Related party information (continued)

Name of related party	Registered office	2023 % ownership	Class of shares
OSW Investments Korean JVCo 2 Limited	UK[2]	100%	Ordinary
OSW Investments Korean JVCo 3 Limited	UK[2]	100%	Ordinary
OSW Investments Korean JVCo 4 Limited	UK[2]	100%	Ordinary
OSW Investments Korean JVCo 5 Limited	UK[2]	100%	Ordinary
OSW Investments R4 JVCo (UK) Limited	UK[2]	100%	Ordinary
OSW Investments Rampion JVCo (UK) Limited	UK[2]	50%	Ordinary
Palatium New Energy, S.L.	Spain[47]	70%	Ordinary
Petra New Energy, S.L.	Spain[48]	70%	Ordinary
Polenta New Energy, S.L.	Spain[47]	70%	Ordinary
PV 1100 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1110 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1120 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1130 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1140 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1150 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 120 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1230 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1270 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 130 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1310 SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland[45]	50%	Ordinary
PV 140 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1460 SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland[45]	50%	Ordinary
PV 150 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 1510 SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland[45]	50%	Ordinary
PV 1520 SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland[45]	50%	Ordinary
PV 170 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 180 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 210 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 220 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 230 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 240 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 250 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 260 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 310 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 350 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 390 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 440 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 450 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 460 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 480 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 490 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 510 SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland[45]	50%	Ordinary
PV 520 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 530 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 540 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 550 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 560 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 20. Related party information (continued)

Name of related party	Registered office	2023 % ownership	Class of shares
PV 570 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 580 SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland[45]	50%	Ordinary
PV 600 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 610 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 620 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 650 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
PV 690 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[45]	50%	Ordinary
RIBOLLA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[44]	50%	Ordinary
ROSELLE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland[44]	50%	Ordinary
Sandala New Energy, S.L.	Spain[47]	70%	Ordinary
Selce New Energy S.R.L.	Italy[37]	70%	Ordinary
Smeraldo New Energy S.R.L.	Italy[37]	70%	Ordinary
Sunrider Holdings Single Member Societe Anonyme	Greece[4]	100%	Ordinary
Sunrider Single Member Societe Anonyme	Greece[42]	100%	Ordinary
Talaria New Energy, S.L.	Spain[48]	70%	Ordinary
Topazio New Energy S.R.L.	Italy[9]	70%	Ordinary

[1]The registered address is 3, 4th Floor, More London Riverside, London, SE1 2AQ, England.
[2]The registered address is Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom.
[3]The registered address is Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, Scotland, United Kingdom.
[4]The registered address is Katehaki 58, Athens, 11525, Greece
[5]The registered address is Grant Thornton, Athens 58 Katehaki Av., 11525, Greece
[6]The registered address is 46 Imeras Street, Ptolemaida, P.C. 50200, Greece
[7]The registered address is Via Giorgio, Giulini 2, CAP 20123, Milano, Italy.
[8]The registered address is via Venti Settembre, 69, Palermo, Italy.
[9]The registered address is Augusta (SR) , Via Deledda 5, 96011, Sicily, Italy.
[10]The registered address is Largo Donegani 2, 20121, Milano, CAP, Italy.
[13]The registered address is Calle Lopez de Hoyos 15, 28006, Madrid, Spain.
[14]The registered address is Calle Serrano, 21, 5th Floor, 28001, Madrid, Spain.
[15]The registered address is calle Serrano numero 21, 5a Planta, 28001, Madrid, Spain.
[18]The registered address is Grant Thornton Poland - Grant Thornton Frąckowiak sp z.o.o, Malta Office Park, Bud. F, ul. Abpa A.
[20]The registered address is Via Melchiorre Gioia 8, 20124 Milano MI, Italy
[21]The registered address is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG, United Kingdom.
[22]The registered address is 18th Floor, Unit A, Centropolis, 26 Ujeongguk-ro, Jongno-gu, Seoul, 03161, Republic of Korea
[23]The registered address is 9 Straits View, #21-07 Marina One West Tower, 018937, Singapore
[24]The registered address is Level 6, 50 Martin Place, Sydney NSW 2000, Australia
[25]The registered address is 27F-1, Taipei Nanshan Plaza, No. 100 Songren Road, Xinyi District, Taipei, 11073, Taiwan
[26]The registered address is Teach Mór Thiar, Inverin, Co. Galway, Ireland
27The registered address is Radmasgaten 24, Hallands lan, 541 45, Falkenberg kommun, Skovde, Sweden
[28]The registered address is c/o Permian, Bryggargatan 5 , 111 21 , Stockholm, Sweden.
[29]The registered address is Wergelandsveien 23B, 0167 Oslo, Oslo, 0301, Norway.
[30]The registered address is c/o OX2, Box 2299, 103 17, Stockholm, Sweden.
[31]The registered address is 5570 Aksdal, Tysvaer, 1146, Norway.
[32]The registered address is c/o JB Future ApS, Thorvaldsensvej 2, 5. th., Frederiksberg C Denmark 1871
[33]The registered address is Towarowa Street 28, 00-839, Warsaw, Poland.
[34]The registered address is Plac Pilsudskiego 1, 00-078, Warsaw, Poland.
[35]The registered address is Pl. Rodla 8, 70-419 Szczecin, Poland.
[36]The registered address is Konstruktorska 12A, 02-673, Warsaw, Poland
[37]The registered address is Piazza Cavour 19, 00193, Roma (RM), Italy

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 20. Related party information (continued)

[38]The registered address is Sao Paulo, Estado de Sao Paulo, Rua Iguatemi, no 192, Ed., Iguatemi Office Building, 13 andar, conjunto 132, sala 02, CEP 01451-010, Brazil
[39]The registered address is Thorvaldsensvej 2, 5. th., 1871 , Frederiksberg C, Denmark
[40]The registered address is Grant Thornton Societe d'Avocats, 29 Rue du Pont, 92200, Neuilly Sur Seine, France
[41]The registered address is GDL 203 Rue de Bercy, 75012, Paris, France
[42]The registered address is 9th km. Thessaloniki-Thermi, Building Thermi, No. 2, Pylea-Chortiatis, Central Macedonia, 57001, Greece
[43]The registered address is ul. Abpa Antoniego Baraniaka 88E, 61-131, Poznan, Poland
[44]The registered address is ul. Aleje Ujazdowskie, No. 41, 00-540, Warsaw, Poland
[45]The registered address is ul. Jasna 14/16A , 00-041, Warsaw, Poland
[46]The registered address is Pozuelo de Alarcon-Somosaguas, Paseo del Club Deportivo 1, Ed. 06-A, Parque Empresarial La Finca, C.P. 28.223, Madrid, Spain
[47]The registered address is Paseo del Club Deportivo Edificio 6-A, Planta 1A, Parque Empresarial La Finca, Somosaguas, Pozuelo de Alarcon, C.P. 28223,
[48]The registered address is Paseo del Club Deportivo 1 - Somosaguas, ED. 06 A, Parque Empresarial La Finca, Plantapozuelo de Alarcon, 28223, Madrid, Spain
[49]The registered address is Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, DE 19808, United States

Loans and investments in associates

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

UK Green Infrastructure Platform Limited (UK GIP)	**2023**	2022
Equity funding	**£000**	£000
Investment balance brought forward	**574**	10,331
Return of capital[(1)]	**(531)**	(9,757)
Impairment	**(43)**	-
Total loans and investments in associates as at 31 March	**-**	574

[(1)]Investment in UK GIP was decreased due to a return of capital.

Note 21. Directors' remuneration

Director emoluments paid by the Company for the financial year ended 31 March 2023 were £nil (2022: £nil).

During the financial years ended 31 March 2023 and 31 March 2022, all Directors were employed by and received all emoluments from other Macquarie Group undertakings. The Directors perform Directors' duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation accurately across all these duties would not be meaningful.

Note 22. Employee equity participation

Macquarie Group Employee Retained Equity Plan ("MEREP")

The entity participates in its ultimate parent company's, Macquarie Group Limited (MGL), share based compensation plans, being the Macquarie Group Employee Retained Equity Plan (MEREP). In terms of this plan, awards are granted by MGL to qualifying employees for delivery of MGL shares.

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Award Types under the MEREP:

Restricted Share Units ("RSUs")

An RSU is a beneficial interest in a MGL ordinary share held on behalf of a MEREP participant by the plan trustee (Trustee).

The participant is entitled to receive dividends on the share and direct the Trustee how to exercise voting rights of the share. The participant also has the right to request the release of the share from the MEREP Trust, subject to the vesting and forfeiture provisions of the MEREP.

	Number of RSU Awards	
	2023	2022
RSUs on issue at the beginning of the financial year	**34,038**	37,773
Granted during the financial year	-	9,467
Forfeited during the financial year	-	(933)
Vested RSUs withdrawn or sold from the MEREP during the financial year	**(4,241)**	(6,569)
Net transfers to related body corporate entities	**(22,926)**	(5,700)
RSUs on issue at the end of the financial year	**6,871**	34,038
RSUs vested and not withdrawn from the MEREP at the end of the financial year	-	-

The weighted average fair value of the RSU awards granted during the financial year was £151.41 (2022: £86.31).

Deferred Share Units ("DSUs")

A DSU represents the right to receive on exercise of the DSU either a MGL share held in the Trust or a newly issued MGL share (as determined by MGL in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised. MGL may issue shares to the Trustee or direct the Trustee to acquire shares on-market, or via a share acquisition arrangement for potential future allocations to holders of DSUs.

Generally, where permitted by law, DSUs will provide for cash payments in lieu of dividends paid on MGL ordinary shares before the DSU is exercised. Further, the number of shares underlying a DSU will be adjusted upon any bonus issue or other capital reconstruction of MGL in accordance with the ASX Listing Rules, so that the holder of a DSU does not receive a benefit that holders of the MGL's shares do not generally receive. These provisions are intended to provide the holders of DSUs, as far as possible, with the same benefits and risks as holders of RSUs. However, holders of DSUs will have no voting rights with respect to any underlying MGL ordinary shares.

DSUs will only be offered in jurisdictions where legal or tax rules make the grant of RSUs impractical. DSUs have been granted with an expiry period of up to nine years.

	Number of DSU Awards	
	2023	2022
DSUs on issue at the beginning of the financial year	**31,533**	10,780
Granted during the financial year	**7,166**	20,753
Exercised during the financial year	**(1,159)**	-
Net transfers to related body corporate entities[(1)]	**(35,300)**	-
DSUs on issue at the end of the financial year	**2,240**	31,533
DSUs exercisable at the end of the financial year	**1,796**	11,273

The weighted average fair value of the DSU awards granted during the financial year was A$152.15 (2022: A$141.17).

[(1)] Net transfers to related body corporate entities during the year includes transfers relating to the transfer of employees within Macquarie group entities.

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 22. Employee equity participation (continued)

Participation in the MEREP is currently provided to the following Eligible Employees:

- Executive Directors with retained Directors' Profit Share (DPS) from 2013 onwards, a proportion of which is allocated in the form of MEREP awards (Retained DPS Awards)
- Staff other than Executive Directors with retained profit share above a threshold amount (Retained Profit Share Awards) and staff who were promoted to Associate Director, Division Director or Executive Director, who received a fixed Australian dollar value allocation of MEREP awards (Promotion Awards)

Vesting periods are as follows:

Award type	Level	Vesting
Retained Profit Share Awards and Promotion Awards	Below Executive Director	1/3rd in the 2nd, 3rd and 4th year following the year of grant[(1)]
Retained DPS Awards	All other Executive Directors	1/3rd in the 3rd, 4th and 5th year following the year of grant[(2)]

[(1)] Vesting will occur during an eligible staff trading window.

[(2)] Vesting will occur during an eligible staff trading window. If an Executive Director has been on leave without pay (excluding leave to which the Executive Director may be eligible under local laws) for 12 months or more, the vesting period may be extended accordingly.

In limited cases, the invitation or application form for awards may set out a different vesting period, in which case that period will be the vesting period for the award. For example, staff in jurisdictions outside Australia may have a different vesting period due to local regulatory requirements.

For Retained Profit Share awards representing 2022 retention, the allocation price was the weighted average price of the shares acquired for the 2022 purchase period, which was 16 May 2022 to 21 June 2022. That price was calculated to be A$168.81 (2021 retention: A$151.73).

Assumptions used to determine fair value of MEREP awards

RSUs and DSUs are measured at their grant dates based on their fair value[1]. This amount is recognised as an expense evenly over the respective vesting period.

While RSUs and DSUs for FY2023 will be granted during the FY2024, the Company begins recognising an expense for these awards (based on an initial estimate) from 1 April 2022 related to these future grants. The expense is estimated using the estimated MEREP retention for FY2023 and applying the amortisation profile to the retained amount.

In the following financial year, the entity will adjust the accumulated expense recognised for the final determination of fair value for each RSU and DSU when granted and will use this valuation for recognising the expense over the remaining vesting period.

In the following financial year, the entity will adjust the accumulated expense recognised for the final determination of fair value for each RSU and DSU when granted and will use this valuation for recognising the expense over the remaining vesting period.

The entity annually revises its estimates of the number of awards (including those delivered through MEREP) that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the employment expenses in the income statement.

For the financial year ended 31st March 2023, compensation expense relating to the MEREP totaled A$674,909 (2022: A$4,002,313).

[(1)] For employees categorized as Material Risk Takers who are required to comply with the European Banking Authority Guidelines on the CRD IV and CRD V remuneration requirements, the fair value of the awards granted for performance periods after 1 April 2019 has been adjusted to take into account the prohibition of dividends on unvested awards.

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 23. Contingent liabilities and commitments

The following contingent liabilities and commitments exclude derivatives.

Commitments exist in respect of	2023 £000	2022 £000
Undrawn credit facilities[1],[2]	-	1,040
Total contingent liabilities and commitments	-	1,040

[1]Undrawn credit facilities are irrevocably extended to clients. These amounts include fully or partially undrawn commitments that are legally binding and cannot be unconditionally cancelled by the Company.
[2]Includes £nil (2022: £1,040) of debt commitment to associates of the Company.

The Company operates in a number of regulated markets and is subject to regular regulatory reviews and inquiries. From time to time these may result in litigation, fines or other regulatory enforcement actions. As at the reporting date there are no matters of this nature for which the Company expects to result in a material economic outflow of resources and the Company considers the probability of there being a material adverse effect in respect of litigation or claims that have not yet been provided for to be remote.

Note 24. Ultimate parent undertaking

At 31 March 2023 the immediate parent undertaking of the Company is Moorgate PL Holdings Limited.

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

Note 25. Events after the reporting year

There were no material events subsequent to 31 March 2023 and up until the authorisation of the financial statements for issue that have not been reflected in the financial statements.

Independent auditors' report to the members of UK Green Investment Bank Limited

Report on the audit of the financial statements

Opinion

In our opinion, UK Green Investment Bank Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- 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 Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2023; the Profit and loss account and the Statement of Changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

With respect to the Strategic report and 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.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2023 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 Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, 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 the posting inappropriate journals to manipulate financial performance, and management bias in the determination of accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inquiries of management and those charged with governance, including review of meeting minutes in so far as they relate to the financial statements, and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

- Identifying and testing journal entries meeting specific criteria including consideration of journals posted by unexpected users or terminated users, unusual revenue transactions, journals posted by seldom users, journals containing keywords, and any late adjustment journals;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of financial statement disclosures and testing to supporting documentation including assessment of compliance with laws and regulations;
- Incorporating unpredictability into the nature, timing and extent of audit procedures performed.

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.

P Barnett

Phillip Barnett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 December 2023

Green impact statements (unaudited)

Green performance

We measure and report on the green impact of our investment activities with rigour and transparency. We have maintained a consistent and robust approach since our inception to ensure all our investment activities contribute positively to at least one of GIG's Green Purposes.

Our investment approach is underpinned by a framework of three documents which drive all our investment decisions. All three documents are publicly available on the GIG website.

- *Green Investment Principles*
  - Sets the benchmark for assessing and managing the green impact of investment transactions and related activity.
- *Green Investment Policy*
  - Describes how we ensure that our activities and those of our portfolio companies and funds align with our Green Investment Principles.
- *Green Impact Reporting Criteria*
  - Sets out how we calculate and report the green impact of our investments and activities.

GREEN IMPACT METRICS – THE QUANTITATIVE APPROACH

The Company maintains the same robust and consistent approach to accounting and disclosure of green impact metrics as applied in previous years, reporting performance in our green impact statements. The quantitative green impact of all our projects is measured by comparing the performance of a project to a defined baseline or 'counterfactual'. This baseline is what would happen in the absence of a project. We do not report green impact for projects into which we have only provided development funding at this stage, due to the relative uncertainty over potential future green impact.

Further details are provided on p. 55.

The Company commissioned an independent benchmarking review by Arup to identify potential new metrics to track green impact. This has resulted in new assessment criteria for the Promotion of Environmental Sustainability and the next focus will be on updating the assessment criteria for Advancement of Efficiency in the use of Natural Resources.

GREEN RATINGS – THE QUALITATIVE APPROACH

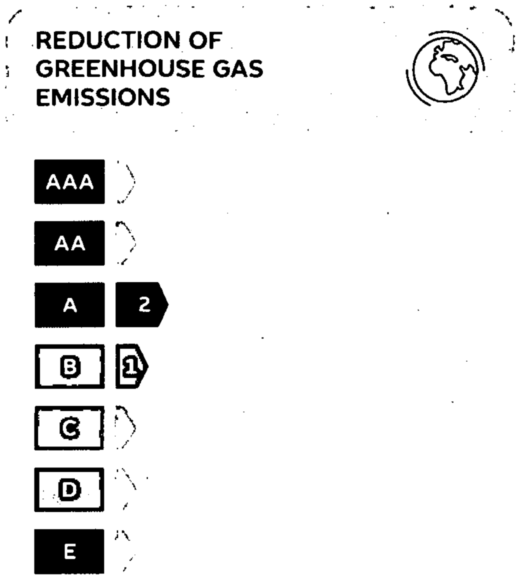
The Company has always used qualitative data as well as metrics to evaluate the green impact of investments, as we know that certain environmental effects of projects – such as on habitats and species – are not readily quantified. We have measured and disclosed the qualitative contributions of our activities to our five Green Purposes through green ratings. Our ratings approach for the reporting period is consistent and comparable with our first disclosures of these ratings last year. New assessment criteria for Promotion of Environmental Sustainability have been developed and tested this year and will be applied to all projects in FY24. Our next focus, as identified in the review, is to update the assessment criteria for Advancement of Efficiency in the Use of Natural Resources – to this effect, we have commissioned external advisors to develop a new tool for us to rate investments against a broader range of resource efficiency and circularity parameters.

We use our green ratings against all five of our Green Purposes to inform our investment decisions – a project's contribution is evaluated on a scale of AAA to E, as indicated below. Here we report our total ratings given to investments in the year (at FID or later, in accordance with our Green Impact Reporting Criteria). The graphics below indicate the number of projects assigned to each rating .

Green impact statements (unaudited) (continued)

Green performance (continued)

The reduction of greenhouse gas emissions

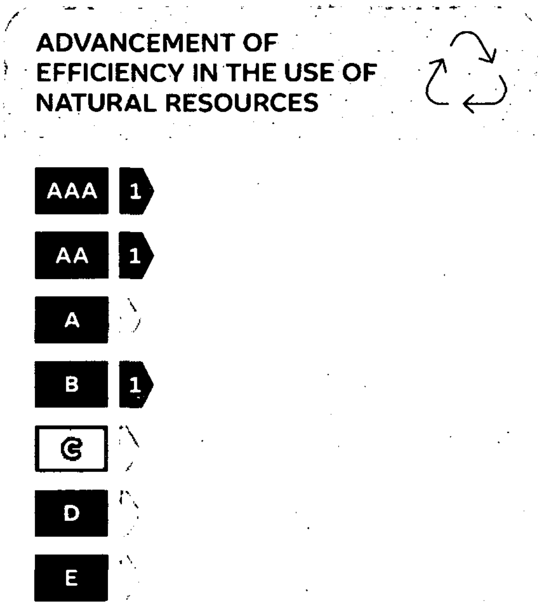


- All the projects in which we invested in 2022/23 are forecast to result in reduced greenhouse gas emissions. The highest rating is A.
- Projects achieving higher green ratings for this Green Purpose have low lifecycle emissions compared to the alternative service provision they are displacing (i.e. alternative forms of electricity generation or
- The metric reported for this green purpose is greenhouse gas emissions avoided (kt CO_2e).

Green impact statements (unaudited) (continued)

Green performance (continued)

The advancement of efficiency in the use of natural resources

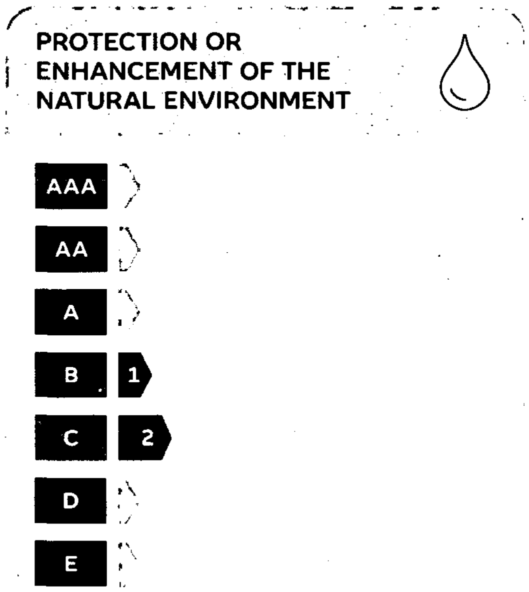


- All the projects in which we invested in 2022/23 are forecast to advance resource use efficiency. The highest rating is AAA.
- Projects achieving higher ratings contribute to a reduction in the consumption of finite, natural resources such as through the provision of renewable energy.
- The metrics reported for this Green Purpose are:
  - renewable energy generation (GWh)
  - energy consumption avoided (GWh)
  - materials recovered for recycling (kt)

Green impact statements (unaudited) (continued)

Green performance (continued)

The protection or enhancement of the natural environment

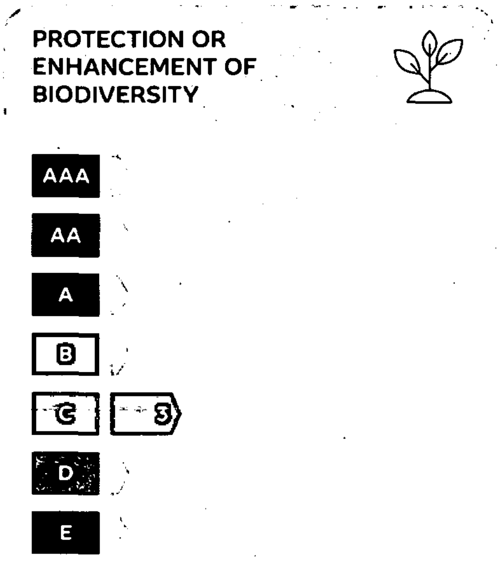


- *One project is anticipated to have a positive contribution, B rating, to the local environment following* environmental mitigation measures. This is for a waste project where the positive rating is associated with diversion of waste from landfill.
- Two of the 2022/23 projects are anticipated to have no significant or minor adverse effects on the local environment, following environmental mitigation measures.
- The metric reported for this green purpose is landfill avoided (kt).

Green impact statements (unaudited) (continued)

Green performance (continued)

The protection or enhancement of biodiversity

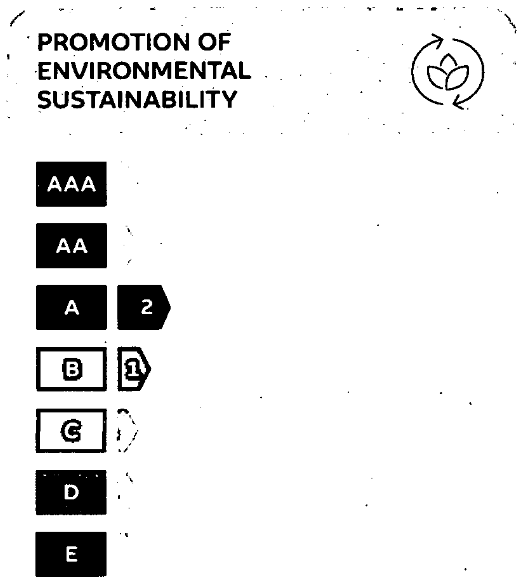


- All the 2022/23 projects are anticipated to have no significant adverse effects on biodiversity, following environmental mitigation measures this leads to all projects receiving a C rating.
- Where there is uncertainty over impacts, we conservatively assume more severe impacts until mitigation measures are implemented.
- Adverse effects on biodiversity have been mitigated to the extent possible, with any residual effects deemed acceptable by planning and permitting authorities for each project.

Green impact statements (unaudited) (continued)

Green performance (continued)

The promotion of environmental sustainability



- While the other Green Purposes consider direct environmental sustainability contributions, this Green Purpose considers indirect contributions. Please refer to the Green Investment Policy [link] for our definition of this Green Purpose. The highest rating is A.
- All of our projects are expected to make a positive contribution to indirect promotion of environmental sustainability.

Green impact statements (unaudited) (continued)

Green performance (continued)

Lifetime green impact metrics ◊

	Additional lifetime green impact from investments *made in 2022/23*	Lifetime green impact from all investments *made to date*
Greenhouse gas emissions avoided (kt CO_2e)	3,997	166,934
Renewable energy generated (GWh)	9,509	501,843
Energy demand reduced (GWh)	-	3,959
Materials recycled (kt)	1,581	40,037
Waste to landfill avoided (kt)	6,645	131,982
Energy storage capacity (MW/MWh)	0/0	40/40

Green impact statements

The green impact statements on p. 56 to 63 indicate the principal environmental benefits arising from the Company's investments. Green impact metrics are reported in terms of estimated lifetime green impact from 2022-23 investments and all investments to date, where the project has reached final investment decision.

The green impact of all our balance sheet assets – whether qualitative or quantitative – is measured by comparing the performance of the project to a defined baseline or 'counterfactual': i.e. what would happen in the absence of the project.

Green impact is not reported for projects into which only development funding has been provided, due to the relative uncertainty over potential future green impact. Details of that methodology can be found on GIG's Green Impact Reporting Criteria 2022/23, a copy of which is published on GIG's https://www.greeninvestmentgroup.com/en/who-we-are/measuring-our-impact.html.

Selected totals for data in the green impact statements in respect of the financial year 2022/23 have been independently assured by Deloitte in accordance with the Independent Assurance Report set out on p. 64-67 and as indicated in the tables on p. 56-63[1]. The reporting period for the green impact statements is 1 April 2022 to 31 March 2023.

[1]◊ Indicator signifies where Deloitte have provided limited assurance over the preparation of the Selected Information. This has been obtained in accordance with the GIG Green Reporting Criteria and with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB"). The equivalent 2022 values were assured as part of the 2022 GIB annual report.

Green impact statements (unaudited) (continued)

Reduction of greenhouse gas emissions

Estimated lifetime GHG emissions reduction of new UK Green Investment Bank Limited investments in the reporting period

	year ended 31.03.23 $ktCO_2e$	year ended 31.03.22 $ktCO_2e$
Offshore wind	-	-
Waste	1,334	-
Energy efficiency	-	-
Bioenergy	-	-
Onshore wind	-	2,359
Solar (note 2.a)	2,663	2,161
Total	3,997 ◊	4,520

Estimated lifetime GHG emissions reduction of all UK Green Investment Bank Limited investments to date

	year ended 31.03.23 $ktCO_2e$	year ended 31.03.22 $ktCO_2e$
Offshore wind	47,383	47,347
Waste	39,057	37,721
Energy efficiency	2,277	2,277
Bioenergy (note 4)	65,263	66,202
Onshore wind	6,283	9,679
Solar	6,671	3,941
Total	166,934 ◊	167,167

Green impact statements (unaudited) (continued)

Generation of renewable energy

Estimated lifetime renewable energy generated by new UK Green Investment Bank Limited investments in the reporting period

	year ended 31.03.23 GWh		year ended 31.03.22 GWh
Offshore wind	-		-
Waste	3,404		-
Energy efficiency	-		-
Bioenergy	-		-
Onshore wind	-		2,788
Solar (note 2.a)	6,105		6,455
Total	9,509	◊	9,243

Estimated lifetime renewable energy generated by all UK Green Investment Bank Limited investments to date

	year ended 31.03.23 GWh		year ended 31.03.22 GWh
Offshore wind	110,818		110,718
Waste	76,144		72,613
Energy efficiency	1,265		1,265
Bioenergy	216,411		220,582
Onshore wind	79,268		83,179
Solar	17,937		11,617
Total	501,843	◊	499,974

Green impact statements (unaudited) (continued)

Energy demand reduction

Estimated lifetime energy demand reduced by new UK Green Investment Bank Limited investments in the reporting period

	year ended 31.03.23 MWh		year ended 31.03.22 MWh
Electricity	-		-
Heating fuels	-		-
Total	-	◊	-

Estimated lifetime energy demand reduced by all UK Green Investment Bank Limited investments to date

	year ended 31.03.22 MWh		year ended 31.03.21 MWh
Electricity	1,800,459		1,800,459
Heating fuels	2,158,799		2,158,799
Total	3,959,258	◊	3,959,258

Green impact statements (unaudited) (continued)

Recycling of materials

Estimated lifetime materials consumption avoided through materials recycling by new UK Green Investment Bank Limited investments in the reporting period

	year ended 31.03.23 tonnes	year ended 31.03.22 tonnes
Compost	-	-
Digestate (PAS 110)	-	-
Compost-like output	-	-
Plastics - mixed	-	-
Ferrous metals	185,300	-
Non-ferrous metals	34,640	-
Paper/card	-	-
Glass	-	-
Mineral aggregates	1,360,700	-
Waste electrical and electronic equipment (WEEE)	-	-
Other	-	-
Total	1,580,640 ◊	-

Estimated lifetime materials consumption avoided through materials recycling by all UK Green Investment Bank Limited investments to date

	year ended 31.03.23 tonnes	year ended 31.03.22 tonnes
Compost	987,642	987,642
Digestate (PAS 110)	7,466,156	7,466,156
Compost-like output	1,128,809	1,128,809
Plastics - mixed	704,050	704,050
Ferrous metals	1,598,217	1,412,638
Non-ferrous metals	823,903	789,200
Paper/card	654,299	654,299
Glass	9,424	9,424
Mineral aggregates	20,483,722	19,119,170
Waste electrical and electronic equipment (WEEE)	34,328	34,328
Other	6,146,348	6,146,348
Total	40,036,898 ◊	38,452,064

Green impact statements (unaudited) (continued)

Avoidance of waste to landfill

Estimated lifetime waste to landfill avoided by new UK Green Investment Bank Limited investments in the reporting period

	year ended 31.03.23 tonnes		year ended 31.03.22 tonnes
Biodegradable waste	4,721,020		-
Non-biodegradable waste	1,924,320		-
Total	6,645,340	◊	-

Estimated lifetime waste to landfill avoided by all UK Green Investment Bank Limited investments to date

	year ended 31.03.23 tonnes		year ended 31.03.22 tonnes
Biodegradable waste	89,174,689		84,441,591
Non-biodegradable waste	42,807,612		40,877,690
Total	131,982,301	◊	125,319,281

Green impact statements (unaudited) (continued)

Energy storage capacity

Estimated lifetime energy storage capacity added by new UK Green Investment Bank Limited investments in the reporting period

	year ended 31.03.23		year ended 31.03.22
Electrical power capacity (MW)	-	◊	40
Electrical energy capacity (MWh)	-	◊	40

Estimated lifetime energy storage capacity added by all UK Green Investment Bank Limited investments to date

	year ended 31.03.23		year ended 31.03.22
Electrical power capacity (MW)	40	◊	40
Electrical energy capacity (MWh)	40	◊	40

Green impact statements (unaudited) (continued)

Notes to the Green Impact Statements

Year-on-year changes to estimated lifetime green

The table on the following page shows how the lifetime green impact at the end of 2022/23 compares to that at the end of 2021/22, and provides a breakdown of the changes. In summary, these changes in lifetime green impact were caused by:

1. Adjustments/corrections. Electrical energy capacity of Maldon was updated to 40 MWh, replacing the oversized capacity reported last year (50 MWh), which accounted for losses.

2. New investments made in this period. These include two solar projects in Greece (Delfini) and Italy (Bolotana B) and one waste-to-energy project in the UK (South Clyde Energy Centre).

3. Removal of estimated remaining lifetime of exited assets that were acquired as operational – in line with GIG's Green Impact Reporting Criteria, when GIG acquired assets that were already operational, the remaining lifetime green impact of these is not included upon divestment. Remaining green impact from such assets divested prior to, during, and since the reporting period is not included in the 2022/23 figures.

4. Existing projects' variation of performance/reforecasts from last year forecasts. Where project performance varies >5 per cent from forecasts, GIG takes an average of past performance and, where relevant, pre-operational forecasts to estimate the remaining lifetime green impact.

Explanatory note:

A significant proportion of GIG's lifetime green impact is anticipated to be delivered by projects after their divestment by GIG. The percentage of lifetime impact of each metric after divestment is shown in the table below:

Metric	Percentage of lifetime
GHG emissions reduction	79%
Renewable energy generated	75%
Energy demand reduced	93%
Materials recycled	94%
Waste-to-landfill avoided	94%
Energy storage capacity	100%

Green impact statements (unaudited) (continued)

Notes to the Green Impact Statements (continued)

Estimated lifetime green impact of all the Company's investments to date – year-on-year changes

	GHG emissions reduction kilotonnes CO_2e	Renewable energy generated GWh	Energy demand reduced MWh	Materials recycled tonnes	Waste to landfill avoided tonnes	Energy storage capacity MW/MWh
Year ended 31.03.22 (note 1)	**167,167**	**499,974**	**3,959,258**	**38,452,064**	**125,319,281**	**40/40**
New investments made in the period (note 2)◊	3,997	9,509	-	1,580,640	6,645,340	0/0
Projects cancelled in the period	-	-	-	-	-	-
Removal of estimated remaining lifetime of assets exited in the period that were acquired as operational (note 3)	(3,457)	(4,171)	-	-	-	-
Variation of forecast remaining lifetime and actuals from last year's forecast (note 4)	(775)	(3,471)	-	4,194	17,680	-
Year ended 31.03.23 ◊	**166,932**	**501,841**	**3,959,258**	**40,036,898**	**131,982,301**	**40/40**

Independent Limited Assurance Report to the Directors of UK Green Investment Bank Limited on Green Impact Data within the Annual Report in relation to Green Impact Data reported for projects held on UK Green Investment Bank Limited's balance sheet

Independent Limited Assurance Report by Deloitte LLP to the Directors of UK Green Investment Bank Limited on the Selected Information within the Annual Report for the reporting period ending 31 March 2023.

What we found: Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 March 2023, as listed below and indicated with a ◊ in the Annual Report has not been prepared, in all material respects, in accordance with the Applicable Criteria defined by the directors, which can be found on the GIG website: https://www.greeninvestmentgroup.com/en/who-we-are/green-impact-governance.html

Emphasis of matter

We draw your attention to the General Note to the Statements (in the Notes to the Statements section) , which includes a table illustrating the proportion of GIG's Lifetime Green Impact attributable to exited investments. GIG's approach to accounting for exited investments is described on page 4 of GIG's Reporting Criteria. For assets acquired as Pre-construction or Construction assets, GIG continues to report the estimated future remaining lifetime Green Impact beyond the point of exit. Consequently, under GIG's Reporting Criteria, it is assumed that assets continue to perform in line with the estimations forecast at the point of exit. Our conclusion is not modified in this respect.

What we looked at: scope of our work

UK Green Investment Bank Limited has engaged us to perform an independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement for the period ended 31 March 2023, and as listed below and indicated with a ◊ in the Annual Report is as follows:

Green Impact Data *for "Lifetime green impact from all investments made to date" and "Additional lifetime green impact from investments made in 2022/23"*			
Selected Information	Unit of measurement	Applicable Criteria	Reported amount
Additional Green Impact from investments made in 2022-23			
GHG emissions reduction	kt CO_2e	Self-defined "Green Impact Reporting Criteria"	3,997
Renewable energy generated	GWh		9,509
Energy demand reduced	GWh		0
Materials recycled	kt		1,581
Waste-to-landfill avoided	kt		6,645
Energy storage capacity	MW / MWh		0/0
Lifetime impact from cumulative investments made to date			

GHG emissions reduction	kt CO_2e	Self-defined "Green Impact Reporting Criteria"	166,934
Renewable energy generated	GWh		501,843
Energy demand reduced	GWh		3,959
Materials recycled	kt		40,037
Waste-to-landfill avoided	kt		131,982
Energy storage capacity	MW / MWh		40/40

The Selected Information, as listed in the above table, needs to be read and understood together with the Applicable Criteria set out on the GIG website: https://www.greeninvestmentgroup.com/en/who-we-are/green-impact-governance.html.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.
Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Directors' responsibilities

The Directors are responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.

- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Directors.

Our independence and competence

In conducting our engagement, we complied with the independence and other ethical requirements of the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
We applied the International Standard on Quality Management (UK) 1 ("ISQM(UK) 1"), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

What we did: key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Performed analytical review procedures and consider the risks of material misstatement of the Selected Information.
- Through inquiries of management, obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We will not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness.
- Through inquiries of management, documented whether an external expert has been used in the preparation of the Selected Information, then evaluate the competence, capabilities and objectivity of that expert in the context of the work performed and also the appropriateness of that work as evidence.
- Inspected documents relating to the Selected Information, including board committee minutes and where applicable internal audit outputs to understand the level of management awareness and oversight of the Selected Information.
- Performed procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessment whether the data has been appropriately consolidated.
- Performed procedures over underlying data on a statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation. We reviewed information supplied by GIB clients, projects or fund managers, or collected within GIB and information supplied by the Funds, fund managers or collected from the Funds' portfolio companies. We did not carry out any work to

verify that information, and nor did we carry out any work over its completeness or accuracy. We also did not conduct any site visits.
- Performed procedures over the Selected Information including assessing management's assumptions and estimates.
- Accumulated misstatements and control deficiencies identified, assessing whether material.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Use of our report

This report is made solely to the Directors of UK Green Investment Bank Limited in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of UK Green Investment Bank Limited those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than UK Green Investment Bank Limited and the Directors of UK Green Investment Bank Limited, we acknowledge that the Directors of UK Green Investment Bank Limited may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UK Green Investment Bank Limited and the Directors of UK Green Investment Bank Limited as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

Deloitte LLP
London, UK
19 December 2023

Green Purposes Company

ANNUAL LETTER 2023

Introduction

This is our sixth annual letter in which we independently comment on GIG's performance against its green objective and five green purposes (hereinafter referred to as the GPs). The letter addresses GIG branded investments globally for the year to 31 March 2023. We confirm that no request to change the GPs was received in that period and to our knowledge investments made were in accordance with them. We have used GPC commissioned research, peer review analysis and other sources of information in drawing our conclusions. This letter should not be relied upon to provide formal assurance of GIG's activities or their green impact.

Executive summary

GIG's green investment activities are market leading and are setting the pace for others to follow. While comparable institutions are also raising their game in response to market scrutiny on greenwashing and other drivers, it is our view that overall GIG remains at the forefront of practice and is playing a leading role in the rapidly evolving green investment market.

GPC exists to hold GIG to account on its GPs. We welcome the progress which GIG has made on several areas for improvement noted in our previous letters, and we remain committed to working with GIG in the spirit of continuous improvement as market practice evolves. We want GIG to succeed in its mission and continue to play a key role in the urgent transition to net zero and, in so doing, benefit from what has been described as the investment opportunity of the 21st Century.

We have aligned our detailed commentary below to the main themes covered by leading market standards on green investment.

Investment strategy

GIG moving into Macquarie Asset Management (MAM) in April 2022 has transformed the potential for green impact it can now achieve. It is pleasing to see this play out through the increased scale, diversity and geographical reach of GIG's investments and ambitions. We are particularly pleased to observe a drive to invest in diverse technologies and business models, something we have encouraged in previous letters. This is very welcome because to achieve its stated mission – to accelerate the transition to net zero - GIG will need to invest across a broader spectrum of the five green purposes.

Governance

GIG's green governance framework remains an industry benchmark. The combination of MAM's Chief Sustainability Officer, the expertise of GIG's Green Analytics Team and the suite of policies, controls and decision-making structures, places GIG in the top tier of market practice. The GPC also forms part of GIG's governance. We hold quarterly meetings with GIG's senior leadership team, perform site visits and undertake ad-hoc briefings with the Green Analytics Team. We believe GPC's role and special share arrangement is effective and relevant and contributes to GIG's reputation as a leading green investor.

Risk and opportunity management

The management and control of environmental and social risk is governed by MAM's Environmental and Social Risk framework. To our knowledge, this is deployed by GIG to account for ESG risks throughout the investment cycle and within the associated supply chain. We consider this approach to be aligned with current market practice. Nonetheless, the risk landscape is evolving, for example in relation to the increasing dependency of renewable technologies on critical minerals and their extended supply chains. To get ahead of such developments we encourage GIG to consider going further such as by introducing TCFD (Taskforce for Climate-Related Financial Disclosures)-style stress testing, uncertainly forecasting and scenario analysis within investment decision making and portfolio monitoring, and publishing more information on the application of the risk framework more generally.

Metrics and targets

GIG's green impact methodology follows widely accepted leading practice, and we noted in our 2022 letter that this should be reviewed as the market evolves. As such, it is pleasing to see that the Green Analytics Team is strengthening its green ratings approach for "the advancement of efficiency in the use of natural resources" GP, and we would encourage consideration of a similar approach for those other GPs where quantitative metrics are less-well developed.

Continuous improvement and thought leadership

Together, GIG and MAM make a powerful platform from which to lead by example, set the pace in green investment, bring forward market innovations and positively influence the policy landscape. Accordingly, it is encouraging to see GIG's continued involvement in several industry and government forums, bringing expertise and global experience to bear. Similarly, to see GIG's increasing range of novel investments which can help mobilise private sector capital into emerging technologies. This continues to present a significant opportunity for GIG, and we encourage them to share publicly more of their work on innovation and thought leadership.

Stakeholder engagement

GIG benefits from MAM's established stakeholder engagement approach which is used to engage with each of their key stakeholder groups on their sustainability activities. Stakeholder engagement is an integral aspect of good market practice and of incoming disclosure regimes and associated materiality considerations. We would expect GIG to maintain a focus on continuous improvement in this area as market and peer group performance evolves.

Green Purposes Company

Disclosure

Public disclosures on GIG's activities, green governance framework and green impact are made across several published documents. These include the GIG Progress Report 2023; the Green Investment Bank's Annual Report and Accounts; GIG Financed Emissions Report 2022; MAM Stewardship Report 2022; MAM Sustainability Report 2023; GIG's green investment policy and green investment principles; GIG net zero commitment; and various press releases. GPC welcomes the increased emphasis on disclosures since our last letter which we consider aligns with good practice. It is noted that mandatory sustainability disclosures are evolving and there are new regulatory requirements in the pipeline. Likewise, the bar is being raised on what constitutes leading market practice and we encourage GIG to keep ahead in this changing landscape.

GPC activities

In our role we shine a light on risks and opportunities in the green investment market through thought leadership papers and other means. We have written previously about nature-based solutions as an emerging asset class, and more recently we published a report on the need for the renewable energy sector to adopt circular economy principles across its value chain. We also convened a workshop with stakeholders in Scotland to consider the issues raised in these reports, the outputs from which have been shared with GIG and placed on our website.

We very much look forward to working with GIG over the year ahead.

T. Hutchings

Trevor Hutchings
Chair, Green Purposes Company Ltd
19 November 2023