Macquarie International Limited

Company Number 01802574

Strategic Report, Directors' Report and Financial Statements for the financial year ended 31 March 2022

MACQUARIE

The Company's registered office is:

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London EC2Y 9HD
United Kingdom

Macquarie International Limited

2022 Strategic Report, Directors' Report and Financial Statements
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Strategic Report
for the financial year ended 31 March 2022

In accordance with a resolution of the directors (the "Directors") of Macquarie International Limited (the "Company"), the Directors submit herewith the Strategic Report of the Company as follows:

Principal activities

The principal activities of the Company during the financial year ended 31 March 2022 ("current financial year") were to act as a holding company and funding entity to various subsidiaries and related body corporate entities which are under the common control of Macquarie Group (Macquarie Group comprising Macquarie Group Limited ("MGL"), the ultimate parent of the Company, and its subsidiaries) and have acceded to the Master Loan Agreement ("MLA"). Refer to Note 18 *Related party information.*

The Company has a Hong Kong ("HK") branch whose principal activity during the financial year was to facilitate employment and secondment agreements amongst various Hong Kong domiciled entities within the Macquarie Group.

Review of operations

The profit for the financial year ended 31 March 2022 was £4,731,723, as compared to the loss of £7,071,609 in the previous year.

Net operating income for the year ended 31 March 2022 was £3,729,894, as compared to the net operating loss of £7,427,374 in the previous year. The year on year change was mainly due to dividend income recognised in the current year, an increase in net interest income due from other Macquarie Group undertakings and decreased provisions for impairment.

Total operating expenses for the year ended 31 March 2022 were £9,044,965, as compared to total operating expenses of £11,296,651 in the previous year. The year on year change was mainly due to decreased provisions for impairment partially offset by increased interest and employment expenses.

As at 31 March 2022, the Company had net assets of £580,629,547 (2021: £295,414,469). The year on year change was mainly due to receipt of a voluntary non-script capital contribution of £280,000,000 from Macquarie Asset Management UK Holdings Pty Limited ("MAMUKHPL").

Loan assets as at 31 March 2022 were £420,481,084 (2021: £63,144,410). The year on year change was due to commencement of funding provided to various subsidiaries and related Macquarie Group body corporate entities governed under the MLA.

Debtors as at 31 March 2022 were £260,190,965 (2021: £62,158,049). The year on year change was mainly due to timing of settlements and funding requirements of various subsidiaries and related body corporate entities governed under the MLA.

Creditors amounts falling due within one year as at 31 March 2022 were £522,073,834 (2021: £307,400,996). The year on year change was mainly due to timing of settlements and funding requirements of various subsidiaries and related body corporate entities governed under the MLA.

Creditors amounts falling due after more than one year as at 31 March 2022 were £98,198,450 (2021: £32,390,702). The year on year change was due to long-term funding drawn under the terms of the MLA to fund the Company's activities as a funding entity to related body corporate entities.

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, liquidity risk, interest rate risk, foreign exchange risk, operational risk, group risk, strategic/business risk, and financial crime risk. The material risks of the Company are monitored by the relevant division of the Risk Management Group ("RMG") of MGL. There are currently no plans to substantially change the nature of the business going forward.

Strategic Report
for the financial year ended 31 March 2022 (continued)

Principal risks and uncertainties (continued)

The range of factors that may influence the Company's short-term outlook include:
- market conditions including: events that cause significant volatility in the market, global inflation and interest rates, and the impact of geopolitical events;
- the continued and evolving impact of COVID-19;
- potential tax or regulatory changes and tax uncertainties;
- completion of year-end reviews and the completion rate of transactions; and
- *the geographic composition of income and the impact of foreign exchange.*

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

The Company is not subject to any other principal 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, interest rate and foreign exchange risk. Additional risks faced by the Company include operational, legal, compliance and documentation risk. Responsibility for management of these risks lies with the individual businesses giving rise to them. It is the responsibility of 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 the Board of MGL. 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 risk acceptance decisions.

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 within the Macquarie Group's credit framework, as established by RMG.

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

Interest rate risk
The Company has both interest-bearing assets and interest-bearing liabilities. Interest bearing assets include 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, which also incur a variable rate of interest.

Strategic Report
for the financial year ended 31 March 2022 (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 policies.

Strategic / Business risk
Risk of the Company's business model being inadequate in the medium to long term. Business and strategic risk is managed and controlled through the annual strategy and business planning process.

Financial crime risk
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. RMG Financial Crime Risk ("FCR") manage and oversee financial crime risk, engage with regulators and maintain and monitor the effectiveness of global financial crime risk frameworks, programs and policies for Macquarie.

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 2022. 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 9 to 11.

Strategic Report
for the financial year ended 31 March 2022 (continued)

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,

Anthony Norton
Director

16 December 2022

Directors' Report
for the financial year ended 31 March 2022

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:

A Norton	(appointed on 3 August 2021)
A Nottingham	(resigned on 3 August 2021)
I Yeung Kwong Wai	
R Thompson	

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

H Everitt

Results

The profit for the financial year ended 31 March 2022 was £4,731,723 (2021: loss of £7,071,609).

Dividends

No dividends were paid or provided for during the current financial year (2021: £nil). No final dividend has been proposed.

State of affairs

On 30 November 2021, the Company received a voluntary non-script capital contribution of £280,000,000 from MAMUKHPL.

On 15 March 2022, the Company subscribed for an additional 5,000,000 ordinary shares in UK Green Investment Climate International Limited ("UKGICIL") for £1 each.

During the current financial year, the Company increased its net investment in Peel Logistics Limited Partnership £1,034,150.

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

IBOR interest rate benchmarks, that are used in a wide variety of financial instruments such as derivatives and lending arrangements, are undergoing reforms. Examples of IBOR include the London Inter-bank Offered Rate ("LIBOR") and the Euro Inter-bank Offered Rate ("EURIBOR").

After 31 December 2021, 24 of 35 LIBOR currency-tenor pairings were discontinued, 6 LIBOR switched to a modified calculation methodology (known as 'synthetic' LIBORs) and 5 USD LIBOR tenors are expected to cease publication after 30 June 2023. Aside from the ongoing exceptional use of USD LIBOR, the use of LIBOR in new contracts ceased by the end of 2021.

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

Directors' Report
for the financial year ended 31 March 2022 (continued)

State of affairs (continued)

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

In addition to the project's progress outlined in the Company's annual financial statements for prior years, the project achieved several important milestones for the year ended 31 March 2022 including that the Company transitioned its internal USD LIBOR funding to Secured overnight financing ("SOFR") and re-hedged external funding exposures to relevant currency ARR, given sufficient liquidity in the relevant markets.

Whilst IBOR reforms, including the transition from LIBOR to ARRs, are important changes for the Company, they have not resulted in changes to Macquarie Group's risk management strategy and these risks are managed within the existing risk management framework as described in the Financial Risk Management section of the Strategic Report.

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

Going Concern

The Company has excess of current liabilities over current assets at 31 March.2022 of £258,868,854. Subsequent to 31 March 2022, the Company settled £124,114,000 in short-term loans with related body corporate entities. Additionally, on 15 December 2022, the Company received long-term debt funding from MAMUKHPL and issued a loan with maturity at call to MAMUKHPL, both in the amount of £150,000,000.

The Company continues to be profitable and the Directors expect the current business will continue for the foreseeable future.

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

Events after the reporting date

On 1 June 2022, the Company entered an agreement to commit up to £281,250 to PLP UK Logistics 2 Coinvest LP. The Company has invested a total of £13,949 as at the date of signing of these financial statements.

Subsequent to 31 March 2022, the Company settled £124,114,000 in short-term loans with related body corporate entities. Additionally, on 15 December 2022, the Company received long-term debt funding from MAMUKHPL and issued a loan with maturity at call to MAMUKHPL, both in the amount of £150,000,000.

Subsequent to the current financial year, the Company increased its net investment in Peel Logistics Limited Partnership £320,235.

At the date of this report, the Directors are not aware of any other matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2022 not otherwise disclosed in this report.

Directors' Report
for the financial year ended 31 March 2022 (continued)

Likely developments, business strategies and prospects

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

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

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.

The Russia-Ukraine conflict did not have a material impact on the operations of the Company during the 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, and foreign exchange 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, 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 year. In preparing the financial statements, the Directors are required to:

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

Directors' Report
for the financial year ended 31 March 2022 (continued)

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

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.

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.

Section 172 (1) Statement

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, employees, 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 ("MGL") 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 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 act as a holding company and funding entity to various subsidiaries and related body corporate entities which are under the common control of Macquarie Group and have acceded to the Master Loan Agreement. The majority of decisions made by the board during the year were deemed to be routine in nature and were taken on a cyclical basis.

Key decisions which the Board considered during the year were:
- the approval of the statutory financial statements of the Company;
- approval of the disbandment of an investment committee of the Company; and
- approval of the recapitalisation of a wholly-owned subsidiary of the Company.

During FY2022, the Board continued to enable virtual attendance at Board meetings, as needed to respond to ongoing COVID-19 restrictions.

(b) Interests of the Company's workforce:

The employees of the Company and its branch have employment contracts with the Company and its branch, and where the company utilises the services of employees employed by the Macquarie group via internal shared services agreement, those employees have employment contracts with entities within the wider Macquarie Group.

Directors' Report
for the financial year ended 31 March 2022 (continued)

Section 172 (1) Statement (continued)

(b) Interests of the Company's workforce (continued):

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 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.

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.

Customers: As a holding company for other Macquarie Group entities, the Company's customers are predominantly other Macquarie Group subsidiaries and affiliates. The Company was not required to make material commercial decisions relating to external customers during the year.

(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. As a subsidiary of the Macquarie Group, the Company has committed to the Group's ESG approach, which is structured around focus areas considered to be material to our business. Assessing and managing Macquarie Groupwide ESG risks is a key business priority and an important component of Macquarie's broader risk management framework, to which the Company is subject.

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

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

In early FY2022, Macquarie made a commitment to reach net zero operational emissions by 2025 and to align financing activity with the global goal of net zero emissions by 2050. Macquarie is committed to playing a leading role in driving the global transition to net zero. Alongside our own investment commitment and working with clients to deliver practical client solutions, we are playing an active role in the mobilisation of private capital through our participation in global initiatives.

Directors' Report
for the financial year ended 31 March 2022 (continued)

Section 172 (1) Statement (continued)

(d) Community and the environment (continued):

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

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

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

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

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

Independent auditors
Pursuant to section 487(2) of the 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,

Anthony Norton
Director

16 December 2022

Macquarie International Limited

Financial Statements

Profit and loss account
for the financial year ended 31 March 2022

	Note	2022 £	Restated 2021[1] £
Turnover	4	**6,231,960**	1,164,369
Administrative expenses	4	**(2,639,421)**	(1,607,508)
Other operating expenses	4	**(1,635,060)**	(6,130,294)
Interest receivable and similar income[1]	4	**6,542,899**	2,704,908
Interest payable and similar expenses[1]	4	**(4,770,484)**	(3,558,849)
Operating profit/(loss)		**3,729,894**	(7,427,374)
Profit/(loss) before taxation		**3,729,894**	(7,427,374)
Tax on profit/(loss)	6	**1,001,829**	355,765
Profit/(loss) for the financial year		**4,731,723**	(7,071,609)

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

[1]Prior year amounts have been reclassified as a component of operating profit/(loss) to better reflect the nature of the business.

Turnover and profit/(loss) before taxation relate wholly to continuing operations.

Statement of comprehensive income
for the financial year ended 31 March 2022

	Note	2022 £	2021 £
Profit/(loss) for the financial year		**4,731,723**	(7,071,609)
Other comprehensive income/(expense):			
Movements in items that may be subsequently reclassified to the profit and loss account:			
Exchange differences on translation of foreign operations, net of tax	17	**205,229**	(689,349)
Total other comprehensive income/(expense)		**205,229**	(689,349)
Total comprehensive income/(expense)		**4,936,952**	(7,760,958)

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

Macquarie International Limited
Company Number 01802574

Balance sheet
as at 31 March 2022

	Note	2022 £	Restated 2021[1] £
Fixed assets			
Investments	7	**518,072,947**	513,663,597
Loan assets[1]	10	**420,481,084**	63,144,410
Current assets			
Debtors[1]	11	**260,190,965**	62,158,049
Deferred tax assets	6	**5,296,136**	1,122,026
Current liabilities			
Creditors: amounts falling due within one year[1]	12	**(522,073,834)**	(307,400,996)
Provisions for liabilities	14	**(2,282,121)**	(2,979,543)
Net current liabilities		**(258,868,854)**	(247,100,464)
Total assets less current liabilities		**679,685,177**	329,707,543
Creditors: amounts falling due after more than one year[1]	13	**(98,198,450)**	(32,390,702)
Provisions for liabilities falling due after more than one year	14	**(857,180)**	(1,902,372)
Net assets		**580,629,547**	295,414,469
Capital and reserves			
Called up share capital	15	**2,500,000**	2,500,000
Equity contribution from ultimate parent	15	**13,824,215**	13,546,088
Capital contribution from parent entity	16	**556,739,862**	276,739,862
Other reserves	17	**5,245,785**	5,040,556
Profit and loss account	17	**2,319,686**	(2,412,037)
Total capital and reserves		**580,629,547**	295,414,469

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

[1]Refer Note 3(xii) *Comparatives* for an explanation of the restatement of certain comparative financial information.

The financial statements on pages 12 to 34 were authorised for issue by the Board of Directors on 16 December 2022 and were signed on behalf by:

Anthony Norton
Director

Statement of changes in equity
for the financial year ended 31 March 2022

	Note	Called up share capital £	Equity contribution from ultimate parent £	Capital contribution from parent entity £	Other reserves £	Profit and loss account £	Total capital and reserves £
Balance as at 1 April 2020		2,500,000	13,153,881	-	5,729,905	4,659,572	26,043,358
Loss for the financial year	17	-	-	-	-	(7,071,609)	(7,071,609)
Other comprehensive expense, net of tax	17	-	-	-	(689,349)	-	(689,349)
Total comprehensive expense		-	-	-	(689,349)	(7,071,609)	(7,760,958)
Other equity movements:							
Capital contribution from parent entity	16	-	-	276,739,862	-	-	276,739,862
Deferred tax on share-based payments	15	-	392,147	-	-	-	392,147
Increase in equity contribution	15	-	60	-	-	-	60
Balance as at 31 March 2021		2,500,000	13,546,088	276,739,862	5,040,556	(2,412,037)	295,414,469
Profit for the financial year	17	-	-	-	-	4,731,723	4,731,723
Other comprehensive income, net of tax	17	-	-	-	205,229	-	205,229
Total comprehensive income		-	-	-	205,229	4,731,723	4,936,952
Other equity movements:							
Capital contribution from parent entity	16	-	-	280,000,000	-	-	280,000,000
Deferred tax on share-based payments	15	-	278,127	-	-	-	278,127
Balance as at 31 March 2022		2,500,000	13,824,215	556,739,862	5,245,785	2,319,686	580,629,547

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 2022

Note 1. Company information

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

The principal activities of the Company during the financial year ended 31 March 2022 was to act as a holding company and funding entity to various subsidiaries and related body corporate entities which are under the common control of MGL and have acceded to the MLA. Refer to Note 18. *Related party information.*

The Company has a Hong Kong branch whose principal activity during the financial year was to facilitate employment and secondment agreements amongst various Hong Kong domiciled entities within the Macquarie Group.

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 2022, the Company had net assets of £580,629,547 (2021: £295,414,469). The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(ii) Deficiency of net current assets:

The Directors of the Company have prepared the financial statements on a going concern basis despite there being an excess of current liabilities over current assets at 31 March 2022 of £258,868,854 (2021: £247,100,464). Subsequent to 31 March 2022, the Company settled £124,114,000 in short-term loans with related body corporate entities. Additionally, on 15 December 2022, the Company received long-term debt funding from MAMUKHPL and issued a loan with maturity at call to MAMUKHPL, both in the amount of £150,000,000.

(iii) Basis of measurement:

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

- Financial assets and liabilities that are otherwise measured on an amortised cost or cost basis.

(iv) 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 International Financial Reporting Standards ("IFRS").

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

- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- The requirements of IFRS 7 'Financial Instruments: Disclosures'.

Notes to the financial statements for the financial year ended 31 March 2022 (continued)

Note 2. Basis of preparation (continued)

(iv) Disclosure exemptions (continued)

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

- The requirements of paragraphs 38 of International Accounting Standards ("IAS") 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - Paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding).
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures).
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.
- The requirements of 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.

(v) *Critical accounting estimates and significant judgements*

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

- judgement in timing and amount of impairment of interests in associates and joint ventures and investment in subsidiaries, including the reversal thereof (Note 3(ix), Note 8 and Note 9).

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 years.

(vi) Coronavirus (COVID-19) impact

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

The Company's processes to determine the impact of COVID-19 for these financial statements is consistent with the processes disclosed and applied in its 31 March 2021 financial statements. Those processes identified that expected credit losses and the assessment of the impairment of non-financial assets required continued judgement as a result of the impact of COVID-19.

As there is a higher than usual degree of uncertainty associated with these assumptions and estimates, actual outcomes may differ to those forecasted which may impact the accounting estimates included in these financial statements. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting year, the impact of events that arise after the reporting year will be accounted for in future reporting years.

(vii) New Accounting Standards and amendments to Accounting Standards and 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 year beginning on 1 April 2021 did not result in a material impact to the Company's financial statements.

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 3. Significant accounting policies

(i) Foreign currency translation

Functional and presentation currency

The functional currency of the Company (including its HK branch) 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.

The functional currency of the HK branch is the Hong Kong Dollar.

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 year:
- 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 expenses.

For the detailed policy on *Financial instruments* refer Note 3(iv).

Subsidiaries and other entities

The Company has a branch in Hong Kong. The results and financial position of all foreign operations that have a functional currency other than Pounds Sterling are translated into Pounds Sterling as follows:
- assets and liabilities included in the balance sheet presented are translated at the closing exchange rate at the date of that balance sheet. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate;
- income and expenses included in the profit and loss account are translated at actual or average exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income ("OCI") within a separate component of other reserves, being the foreign currency translation reserve ("FCTR").

Foreign currency gains and losses on intragroup loans are recognised in the profit and loss account except where the loan is in-substance part of the Company's net investment in the foreign operation, in which case the foreign currency gains and losses are recognised in the Company's FCTR.

The exchange gains or losses recognised in FCTR are reclassified to the income statement or reattributed within equity as follows:
- if there is a disposal of a foreign operation, then the accumulated FCTR is reclassified from OCI to investment income within other operating income and expenses;
- if there is a partial disposal of a foreign operation that is an associate or joint arrangement, without loss of significant influence or joint control, then a proportionate share of the accumulated FCTR is reclassified to investment income; and
- if there is a partial disposal of a foreign operation that is a subsidiary, without loss of control, then a proportionate share of the accumulated FCTR is reattributed within equity to non-controlling interests.

(ii) Revenue and expense recognition

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.

Notes to the financial statements for the financial year ended 31 March 2022 (continued)

Note 3. Significant accounting policies (continued)

(ii) Revenue and expense recognition (continued)

Dividends (continued)

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

Other operating expenses

Other operating expenses mainly comprises provisions for impairment.

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.

Net interest income/expense

Interest income and interest expense are recognised using the effective interest rate ("EIR") method for financial assets, and financial liabilities carried at amortised cost. 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.

(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.

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

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

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

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

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

Factors considered include the ability to offset tax losses, 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.

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 3. Significant accounting policies (continued)

(iii) Taxation (continued)

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.

The best evidence of a financial instrument's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only inputs from observable markets.

Financial instruments arising in multiple transactions are accounted for as a single arrangement if this best reflects the substance of the arrangement. Factors considered in this assessment include whether the financial instruments:
- are entered into at the same time and in contemplation of one another;
- have the same counterparty;
- relate to the same risk;
- there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction; or
- consideration of whether each of the financial instruments has its own terms and conditions and each may be transferred or settled separately.

Derecognition of financial instruments

Financial assets

Financial assets are derecognised from the balance sheet when:
- the rights to cash flows have expired; or
- the Company has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset.

A financial asset is transferred if, and only if, the Company:
i) transfers the contractual rights to receive the cash flows of the financial asset, or
ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where the Company is:
- not obligated to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- 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.

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

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

Financial liabilities

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

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 3. Significant accounting policies (continued)

(iv) Financial instruments (continued)

Classification and subsequent measurement

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

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

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

Solely payment of principal and interest ("SPPI")

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

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

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

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

Fair value through profit or loss ("FVTPL")
Financial assets that do not meet the criteria to be measured at amortised cost or FVOCI are subsequently measured at FVTPL.

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

- financial assets in a business model whose objective is achieved by managing the financial assets on a fair value basis in order to realise gains and losses as opposed to a business model in which the objective is to collect contractual cash flows (FVTPL); or
- financial assets that fail the SPPI test (FVTPL).

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.

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

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

- such a designation eliminates or significantly reduces an accounting mismatch that would otherwise have arisen; or
- a group of financial liabilities, or financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Changes in the fair value of financial liabilities that are recognised in other income/(expenses).

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

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount reported on the balance sheet, when there is a 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.

Notes to the financial statements for the financial year ended 31 March 2022 (continued)

Note 3. Significant accounting policies (continued)

(v) Loan assets

This category includes amounts due after more than 12 months from related Macquarie Group entities. Refer to Note 10. *Loan assets.*

(vi) Investments

Investments 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.*

Investment in subsidiaries are assessed for impairment at each reporting date, refer to Note 3(ix) *Impairment*.

Interest in associates and joint ventures

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

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

(vii) Provisions

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.

Employee benefits provisions

Employee benefit provisions are recognised by the Company as and when the service has been rendered after deducting amounts already paid. Liabilities for unpaid salaries, salary-related costs and provisions for annual leave are recorded on the balance sheet at the salary rates which are expected to be paid when the liability is settled. Provisions for long service leave and other long-term benefits are recognised at the present value of expected future payments to be made.

In determining this amount, consideration is given to expected future salary levels and employee service histories. Expected future payments are discounted to their net present value using discount rates on high quality corporate bonds. Such discount rates have terms that match as closely as possible the expected future cash flows.

Provisions for unpaid employee benefits are derecognised when the benefit is settled or is transferred to another entity and the Company is legally released from the obligation and does not retain a constructive obligation.

(viii) 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, such that the net amount is reported in the balance sheet.

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 3. Significant accounting policies (continued)

(ix) Impairment

Expected credit losses ("ECL")
The ECL requirements apply to financial assets measured at amortised cost and amounts receivable from contracts with customers. The Company applies a three-stage approach to measuring the ECL based on changes in the financial asset's underlying credit risk and includes forward-looking 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 1 – 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 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 3 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 amounts due from other Macquarie group entities as a deduction to the gross carrying amount.

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

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

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 3. Significant accounting policies (continued)

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

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

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

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

Impairment of investments in subsidiaries
Investments in subsidiaries in the Company's financial statements are reviewed annually for indicators of impairment or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised 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.

(x) Performance based remuneration
Share-based payments
The Company participates in MGL's share based compensation plans, being the Macquarie Group Employee Retained Equity Plan ("MEREP"). Information relating to these schemes is set out in Note 20. *Employee equity participation*. The Company recognises a prepaid asset at grant for these awards, since MGL is reimbursed in advance. This amount is recognized as an expense over the respective vesting years. MGL recognises a corresponding increase in equity for the equity settled awards to employees.

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

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 year to which the profit share relates.

(xi) Called up share capital
Ordinary shares and other similar instruments are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the issue proceeds.

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 3. Significant accounting policies (continued)

(xii) Comparatives

The Company reclassified prior year interest receivable and similar income and interest payable and similar expenses as a component of operating profit/(loss) to better reflect the nature of the business. Additionally, the Company identified and corrected a prior year error, which was a misstatement of loan assets, debtors, creditors: amounts falling due within one year, and creditors: amounts falling due after more than one year. There was no impact to the profit and loss account as a result of the reclassification and restatement.

The impact of the prior year restatement is reflected below:

	2021		
	Restated	Reported	Change
	£	£	£
Fixed assets:			
Loan assets	**63,144,410**	-	63,144,410
Total[1]	**63,144,410**	-	63,144,410
Current assets:			
Debtors	**62,158,049**	164,083,781	(101,925,732)
Total[1]	**62,158,049**	164,083,781	(101,925,732)
Current liabilities:			
Creditors: Amounts falling due within one year	**(307,400,996)**	(378,573,020)	71,172,024
Total[1]	**(307,400,996)**	(378,573,020)	71,172,024
Long term liabilities:			
Creditors: amounts falling due after more than one year	**(32,390,702)**	-	(32,390,702)
Total[1]	**(32,390,702)**	-	(32,390,702)

[1]As a result of the restatement, prior year net current liabilities has changed to £247,100,464 (previously £216,346,756) and total assets less current liabilities has changed to £329,707,543 (previously £297,316,841). Net assets did not change due to the restatement.

In accordance with FRS 101 8(g) the Company has applied an exemption to the requirements of IFRS IAS 1 para 40A-D of presenting a third balance sheet.

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

	2022 £	2021 £
Note 4. Profit/(loss) before taxation		
Profit/(loss) before taxation is stated after crediting/(charging):		
Turnover		
Dividend income	**4,000,000**	-
Service fees received from other Macquarie Group undertakings	**2,231,960**	1,164,369
Total turnover	**6,231,960**	1,164,369
Administrative expenses		
Staff costs		
Share-based payment costs	**(795,128)**	(664,099)
Wages and salaries	**(583,978)**	(741,923)
Other pension charge	**(1,798)**	(444)
Total staff costs	**(1,380,904)**	(1,406,466)
Auditor's remuneration		
Fees payable to the Company's auditors for the audit of the Company[1]	**(61,809)**	(41,701)
Resourcing charge from other Macquarie Group undertakings	**(22,065)**	(72,646)
Other administrative expenses	**(1,174,643)**	(86,695)
Total administrative expenses	**(2,639,421)**	(1,607,508)
Other operating income/(expense)		
Impairments in subsidiaries	**(1,624,800)**	(5,863,720)
Credit impairment charges	**(322,058)**	(211,738)
Foreign exchange gains/(losses)	**104,324**	(54,836)
Other operating income	**207,474**	-
Total other operating income/(expenses)	**(1,635,060)**	(6,130,294)
Interest		
Interest receivable and similar income from:[2]		
Other Macquarie Group undertakings	**6,542,899**	2,704,908
Total interest receivable and similar income	**6,542,899**	2,704,908
Interest payable and similar expenses to:[3]		
Other Macquarie Group undertakings	**(4,770,484)**	(3,558,831)
Unrelated parties	**-**	(18)
Total interest payable and similar expenses	**(4,770,484)**	(3,558,849)

[1]Fees payable to the Company's auditors for current year includes £18,883 (2021: £32,813) relating to the previous year.

[2]Includes interest income calculated using effective interest method of £6,542,899 (2021: £2,704,908) on the financial assets in the Company that are measured at amortised cost.

[3]Includes interest expense of £4,770,484 (2021: £3,558,849) on the financial liabilities measured at amortised cost.

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 2022**	No. of employees 2021
Financial Management Group	**1**	1
Macquarie Capital	**1**	1
Macquarie Asset Management	**-**	1
Total employees	2	3

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

	2022 £	2021 £
Note 6. Tax on profit/(loss)		
(i) Tax expense included in profit/(loss)		
Current tax		
UK corporation tax at 19% (2021: 19%)	**(133,528)**	330,101
Adjustments in respect of previous periods	**(2,975,610)**	702,251
Foreign tax suffered	**(2,766)**	-
Total current tax	**(3,111,904)**	1,032,352
Deferred tax		
Adjustments to tax in respect of prior years	**3,097,997**	(673,540)
Change in tax rate	**1,182,259**	-
Origination and reversal of timing differences	**(166,523)**	(3,047)
Total deferred tax	**4,113,733**	(676,587)
Tax on profit/(loss)	**1,001,829**	355,765

(ii) Reconciliation of effective tax rate

The income tax credit for the year ended 31 March 2022 is higher (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021:19%). The differences are explained below:

Profit/(loss) before taxation	**4,803,893**	(7,427,374)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	**(912,740)**	1,411,201
Effect of:		
Effect of changes in tax rate	**1,182,259**	-
Non-taxable income-Other	**761,069**	-
Adjustment to tax charge in respect of previous periods	**122,388**	28,712
Share-based payments	**24,004**	85,815
Non deductible expenses	**(172,385)**	(1,169,963)
Foreign tax suffered	**(2,766)**	-
Total tax on profit/(loss)	**1,001,829**	355,765

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.

(iii) Deferred tax assets

The balance comprises timing differences attributable to:		
Tax losses	**4,269,363**	-
Profit share retentions and leave entitlements	**1,026,773**	1,122,026
Total deferred tax assets	**5,296,136**	1,122,026
Net deferred tax assets	**5,296,136**	1,122,026

(iv) Reconciliation of the Company's movement in deferred tax assets:

Balance at the beginning of the financial year	**1,122,026**	1,647,196
Timing differences:		
Adjustments to tax in respect of prior years	**3,097,997**	(673,540)
Change in tax rate	**1,182,259**	-
Effect of changes in tax rates in equity	**88,813**	-
Foreign exchange	**25,302**	(76,879)
Amounts credited/debited to profit and loss	**(166,523)**	(3,048)
Deferred tax charged to equity	**(53,738)**	228,297
Balance at the end of the financial year	**5,296,136**	1,122,026

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

	2022 £	2021 £
Note 7. Investments		
Interests in associates and joint ventures (Note 8)	**15,826,995**	14,792,845
Investments in subsidiaries (Note 9)	**502,245,952**	498,870,752
Total investments	**518,072,947**	513,663,597

Note 8. Interests in associates and joint ventures

Equity investments with no provisions for impairment	**15,826,995**	14,792,845
Total equity investments in associates and joint ventures[1]	**15,826,995**	14,792,845

[1]Includes £2,974,759 (2021: £2,974,759) relating to interests in associates and £12,852,236 (2021: £11,818,086) relating to interests in joint ventures held by the Company.

Name of equity	Nature of business	Registered office	2022 % ownership	Restated 2021 % ownership[1]	2022 £	2021 £
Peel Logistics Limited Partnership	Real estate	22 Grenville Street, St Helier, Jersey JE4 8PX	18.5	18.5	**12,848,423**	11,814,273
Peel Logistics Management Limited[1]	Holding company	32 Brook Street, London, England W1K 5DL	28.1	28.1	**2,974,759**	2,974,759
Peel Logistics General Partner Limited	Real estate	22 Grenville Street, St Helier, Jersey JE4 8PX	18.5	18.5	**3,813**	3,813
Total interests in associates and joint ventures					**15,826,995**	14,792,845

[1]The prior year ownership percentage has been restated to 28.1% (previously stated at 20.1%). There was no change in the stated prior year value.

	2022 £	2021 £
Note 9. Investments in subsidiaries		
Investments at cost with no provisions for impairment	**498,319,952**	498,319,952
Investments at cost with provisions for impairment	**11,414,520**	6,414,520
Less provisions for impairment[1]	**(7,488,520)**	(5,863,720)
Investments with provisions for impairment at recoverable amount	**3,926,000**	550,800
Total investments in subsidiaries	**502,245,952**	498,870,752

[1]In accordance with the Company's accounting policies, the Company reviewed its investment in subsidiaries for indicators of impairment. Where its investments had indicators of impairment, the investment's carrying value was compared to its recoverable value which was determined to be its fair value less costs to sell (valuation). The valuation has been calculated using a valuation technique whose most significant inputs include the subsidiary's maintainable earnings, growth rates and relevant earnings multiples.

Notes to the financial statements for the financial year ended 31 March 2022 (continued)

Note 9. Investments in subsidiaries (continued)

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

Name of subsidiary	*Nature of business*	Place of incorporation	2022 % ownership	2021 % ownership	2022 £	2021 £
Macquarie Infrastructure and Real Assets Investments Limited	Holding company	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	100	**498,319,851**	498,319,851
UK Green Investment Climate International Limited	Holding company	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	100	**3,926,000**	550,800
MEIF (UK) Limited	General partner	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	100	**100**	100
MPF Nominees Limited	Nominee services	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	100	**1**	1
Total investments in subsidiaries					**502,245,952**	498,870,752

All material subsidiaries have a 31 March reporting date.

	2022 £	2021 £
Note 10. Loan assets		
Due from related entities:		
Amounts owed from other Macquarie Group undertakings	**420,481,084**	63,144,410
Total loan assets	**420,481,084**	63,144,410

	2022 £	Restated 2021[1] £
Note 11. Debtors		
Amounts owed from other Macquarie Group undertakings[1]	**259,839,959**	60,518,391
Taxation	**202,283**	494,073
Prepayments and accrued income	**148,049**	1,144,864
Other debtors	**674**	721
Total debtors	**260,190,965**	62,158,049

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

Note 12. Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to other Macquarie Group undertakings[1]	**522,073,834**	306,414,714
Accruals and deferred income	**-**	986,282
Total creditors: amounts falling due within one year	**522,073,834**	307,400,996

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

Note 13. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to other Macquarie Group undertakings[1]	**98,198,450**	32,390,702
Total creditors: amounts falling due after more than one year	**98,198,450**	32,390,702

[1]Amounts due to other Macquarie Group undertakings have a maturity date of 15 February 2028. The Company incurs interest on amounts owed to other Macquarie Group undertakings.

The Company has not had any defaults of principal, interest or other breaches with respect to its debt during the financial years reported.

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

	2022 £	2021 £
Note 14. Provisions for liabilities		
Provision for employee entitlements	**3,134,249**	4,879,488
Other provisions	**5,052**	2,427
Total provisions for liabilities	**3,139,301**	4,881,915

Of the above amounts, £2,282,121 (2021: £2,979,543) is expected to be settled within 12 months of the reporting date by the Company.

	2022 £	2021 £
Reconciliation of provision for employee entitlements:		
Balance at the beginning of the financial year	**4,879,488**	6,319,151
Provisions used during the year	**(1,768,756)**	(1,531,583)
Provisions made during the year	**64,370**	432,720
Foreign exchange movements	**91,322**	92,207
Transfers from Group undertakings	**(132,175)**	(433,007)
Balance at the end of the financial year	**3,134,249**	4,879,488
Maturity profile of provision for employee entitlements		
Within 1 year	**2,277,069**	2,977,116
Between 1 and 2 years	**628,041**	1,086,406
Between 2 and 10 years	**229,139**	815,966
Balance at the end of the financial year	**3,134,249**	4,879,488

Note 15. Called up share capital

	2022 Number of shares	2021 Number of shares	2022 £	2021 £
Called up share capital				
Opening balance of fully paid ordinary shares at £1.00 per share	**2,500,000**	2,500,000	**2,500,000**	2,500,000
Closing balance of fully paid ordinary shares at £1.00 per share	**2,500,000**	2,500,000	**2,500,000**	2,500,000
Authorsied share capital				
Ordinary shares at £1.00 per share	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Redeemable preference shares at £1.00 per share	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Total authorised share capital	**20,000,000**	20,000,000	**20,000,000**	20,000,000
Equity contribution from ultimate parent entity				
Balance at the beginning of the financial year			**13,546,088**	13,153,881
Deferred tax on share-based payments			**278,127**	392,147
Additional equity contribution			**-**	60
Balance at the end of the financial year			**13,824,215**	13,546,088

Note 16. Contribution from immediate parent entity

	2022 £	2021 £
Capital contribution		
Opening balance of capital contribution	**276,739,862**	-
Additional capital contribution	**280,000,000**	276,739,862
Total capital contribution from parent entity	**556,739,862**	276,739,862

Note 17. Reserves and profit and loss account

	2022 £	2021 £
Foreign currency translation reserve		
Balance at the beginning of the financial year	**540,556**	1,229,905
Currency translation differences arising during the financial year[1]	**205,229**	(689,349)
Balance at the end of the financial year	**745,785**	540,556

[1] *Exchange differences arising from the translation of the Company's foreign branch, which have local currencies other than Pounds* Sterling, are taken to the foreign currency translation reserve.

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

	2022 £	2021 £
Note 17. Reserves and Profit and loss account (continued)		
Capital redemption reserve		
Balance at the beginning of the financial year	**4,500,000**	4,500,000
Balance at the end of the financial year	**4,500,000**	4,500,000
Total other reserves	**5,245,785**	5,040,556
Profit and loss account		
Balance at the beginning of the financial year	**(2,412,037)**	4,659,572
Profit/(loss) for the financial year	**4,731,723**	(7,071,609)
Balance at the end of the financial year	**2,319,686**	(2,412,037)

Note 18. 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 22.

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

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

Investments held by Company's subsidiaries:

Details of holdings by related party undertakings are as below:

Name of related party	Registered office	% ownership	Class of shares
Subsidiaries of Macquarie Infrastructure and Real Assets Investments Limited			
Macquarie Infrastructure Partners IV GP LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, County DE 19808, United States	99%	Membership Units
MIRA Infrastructure Global Solution GP LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, County DE 19808, United States	100%	Membership Interest
MIF Holdings Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100%	Ordinary shares
Macquarie Infrastructure Partners V GP, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, County DE 19808, United States	100%	Regular Member Interests
Macquarie Infrastructure and Real Assets Investments (Luxembourg) S.à r.l.	46, Place Guillaume II, L-1648 Luxembourg	99%	Ordinary shares
Macquarie Infrastructure and Real Assets Core Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100%	Ordinary shares
MEIF 6 N2 GP Limited	First Floor, Albert House, South Esplanade, St Peter Port, GY1 1AJ, Guernsey	100%	Ordinary shares
MGREF 1 GP Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100%	Ordinary shares
Goodstone Living Limited	18 St Swithin's Lane, London, EC4N 8AD, United Kingdom	90%	A Ordinary Shares
Camp Hill Unit Trust	22 Grenille Street, St Helier, JE4 8PX, Jersey	99%	Ordinary Shares
Ocean Drive Unit Trust	22 Grenille Street, St Helier, JE4 8PX, Jersey	99%	Ordinary Shares

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 18. Related party information (continued)

Investments held by Company's subsidiaries (continued):

Details of holdings by related party undertakings are as below:

Name of related party	Registered office	% ownership	Class of shares
Subsidiaries of MEIF (UK) Limited			
Macquarie Infrastructure GP Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100%	Ordinary shares
Macquarie (Scotland) GP Limited	50 Lothian Road, Festival Square, Edinburgh. Scotland EH3 9WJ	100%	Ordinary shares
Macquarie GP2 Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100%	Ordinary shares
Macquarie GP Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100%	Ordinary shares
Subsidiaries of MPF Nominees Limited			
MPF Holdings Limited	3rd Floor, 37 Esplanade, St Helier, Jersey, JE1 1AD, Jersey	<1%	A Ordinary Shares

Associates and joint ventures:

Transactions between the Company and its associates and joint ventures are related to its interests in Peel Logistics Limited Partnership, Peel Logistics Management Limited, and Peel Logistics General Partner Limited.

Note 19. Directors' remuneration

During the financial years ended 31 March 2022 and 31 March 2021, 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 20. Employee equity participation

Macquarie Group Employee Retained Equity Plan ("MEREP")

The Company participates in MGL's share-based compensation plans, being the MEREP. In terms of this plan, awards are granted by MGL to qualifying employees for delivery of MGL shares.

Award Types under the MEREP

Restricted Share Units ("RSUs")

An RSU is a beneficial interest in an 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	
	2022	2021
RSUs on issue at the beginning of the financial year	**7,007**	19,228
Granted during the financial year	**141**	439
Vested RSUs withdrawn or sold from the MEREP during the financial year	**(6,568)**	(12,660)
RSUs on issue at the end of the financial year	**580**	7,007

The weighted average fair value of the RSU awards granted during the Financial year was $151.41 (2021: $124.40).

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 20. Employee equity participation (continued)

Deferred Share Units ("DSUs")

A DSU represents a right to receive on exercise of the DSU either an 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	
	2022	2021
DSUs on issue at the beginning of the financial year	**8,859**	8,068
Granted during the financial year	**8,089**	1,131
Exercised during the financial year	**(5,147)**	(340)
DSUs on issue at the end of the financial year	**11,801**	8,859
DSUs exercisable at the end of the financial year	**11,801**	2,128

The weighted average fair value of the DSU awards granted during the Financial year was $151.41 (2021: $124.40).

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); and
- Staff other than Executive Directors with retained profit share above a threshold amount (Retained Profit Share Awards).

Vesting periods are as follows:

Award type	Level	Vesting
Retained Profit Share Awards	Below Executive Director	1/3rd in the 2nd, 3rd and 4th year following the year of grant[1]
Retained DPS	All other Executive	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 2021 retention, the allocation price was the weighted average price of the shares issued for the 2021 issue period, which was 24 May 2021 to 4 June 2021. That price was calculated to be $151.73 (2020 retention: $112.15).

Notes to the financial statements
for the financial year ended 31 March 2022 (continued)

Note 20. Employee equity participation (continued)

Assumptions used to determine fair value of MEREP awards
RSUs and DSU's are measured at their grant dates based on their fair value. This amount is recognised as an expense evenly over the respective vesting period.

RSUs and DSUs relating to the MEREP plan for Executive Committee members have been granted in the current financial year in respect of 2021 performance. The accounting fair value of each of these grants is estimated using the MGL's share price on the date of grant.

While RSUs and DSUs for FY2022 will be granted during FY2023, the Company begins recognising an expense for these awards (based on an initial estimate) from 1 April 2021 related to these future grants. The expense is estimated using the estimated MEREP retention for FY2022 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.

The Company 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 administrative expenses in the profit and loss account.

For the financial year ended 31st March 2022, compensation expense relating to the MEREP totaled $1,288,136 (2021: $1,149,413).

Note 21. Contingent liabilities and commitments

	2022 £	2021 £
Commitments exist in respect of:		
Undrawn commitments[1]	**5,310,787**	6,651,852
Total commitments	**5,310,787**	6,651,852

[1]Commitment to invest within Peel Logistics Management Limited.

Note 22. Ultimate parent undertaking
At 31 March 2022, the immediate parent undertaking of the Company was MAMUKHPL.

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

Note 23. Events after the reporting date
On 1 June 2022, the Company entered an agreement to commit up to £281,250 to PLP UK Logistics 2 Coinvest LP. The Company has invested a total of £13,949 as at the date of signing of these financial statements.

Subsequent to 31 March 2022, the Company settled £124,114,000 in short-term loans with related body corporate entities. Additionally, on 15 December 2022, the Company received long-term debt funding from MAMUKHPL and issued a loan with maturity at call to MAMUKHPL, both in the amount of £150,000,000.

Subsequent to the current financial year, the Company increased its net investment in Peel Logistics Limited Partnership by £320,235.

There were no other material events subsequent to 31 March 2022 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 Macquarie International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Macquarie International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its 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 2022; the Profit and loss account, the Statement of comprehensive income 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 the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Strategic report and the Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- 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;
- Incorporating an element of unpredictability into the nature, timing and/or extent of our testing;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Applying risk-based criteria to all journal entries posted in the audit period, including consideration of backdated entries, post-close entries and those journals posted by a defined group of unexpected users.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Phillip Barnett

Phillip Barnett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 December 2022