Macquarie Leasing (UK) Limited

Company Number 02997799

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

MACQUARIE

The Company's registered office is:

Ropemaker Place
28 Ropemaker Street
London EC2Y 9HD
United Kingdom

2023 Strategic Report, Directors' Report and Financial Statements

Contents

Macquarie Leasing (UK) Limited

Strategic Report
for the financial year ended 31 March 2023

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

Principal activities

The principal activity of the Company during the financial year ended 31 March 2023 ("current financial year") was to act as a holding Company.

Review of operations

The profit for the financial year ended 31 March 2023 was £934,322, a decrease of 83 percent from the profit of £5,577,628 in the previous year.

Net operating income for the year ended 31 March 2023 was £935,891, a decrease of 88 percent from the net operating income of £7,666,215 in the previous year. The year on year change was due to a lower dividend received from its subsidiaries as compared to the previous year.

Total operating expenses for the year ended 31 March 2023 were £64,109, an increase of 90 percent from £33,785 in the previous year. The year on year change was predominantly due to an increase in service fees paid to other Macquarie Group undertakings and fees payable to auditors in the current financial year.

As at 31 March 2023, the Company had net assets of £903,273 (2022: £4,468,951). The year on year change was mainly due to payment of a dividend of £4,500,000 to Macquarie Corporate and Asset Finance Limited (the Company's Shareholder) partially offset by the receipt of a dividend of £1,000,000 from its subsidiary.

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 risk, foreign exchange risk, operational risk, group risk, conduct risk, regulatory & compliance risk, strategic / business risk, environmental and social, financial crime risk, technology & cyber and risk reputational. The principal risks of the Company are monitored by the relevant division of the Risk Management Group ("RMG") of the Macquarie Group (Macquarie Group comprising Macquarie Group Limited ("MGL"), the ultimate parent of the Company, and its subsidiaries). There are currently no plans to substantially change the nature of the business going forward.

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

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

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

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

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

Principal risks and uncertainties (continued)

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

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

Risk management

Risk is an integral part of the Macquarie Group's businesses. The Company is exposed to a variety of financial risks that include the effects of credit, liquidity, interest rate and foreign exchange risk. Additional risks faced by the Company include operational, legal, compliance and documentation risk. The primary responsibility for management of these risks lies with the individual businesses giving rise to them. It is the responsibility of RMG to ensure appropriate assessment and management of these risks.

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

Liquidity risk

Liquidity risk is the risk of an entity encountering difficulty in meeting obligations with financial liabilities. Liquidity management is performed centrally by Group Treasury, with oversight from the Asset and Liability Committee ("ALCO"). The Directors have adopted the risk model used by the Macquarie Group, as approved by RMG. This model is incorporated into the Macquarie Group's risk management systems to enable the Company to manage this risk effectively.

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, all of which earn a variable rate of interest, except for certain positions with fixed rate of interest with external parties. Interest-bearing liabilities include payables to other Macquarie Group undertakings, which also incur a variable rate of interest. Interest bearing liabilities include payables to other Macquarie Group undertakings which also incur a variable rate of interest.

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 Macquarie Group's Group-wide process of minimising exposure at an individual Company level.

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

Non-Financial Risk Management

Operational risk

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

Group risk

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

Conduct risk

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

Regulatory & compliance risk

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

Strategic / Business risk

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

Environmental & social risk

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

Financial crime risk

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

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

Non-Financial Risk Management (continued)

Technology & cyber risk

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

Reputational Risk

The risk of damage to Macquarie Group's reputation from the perspective of our clients, shareholders, regulators, staff or the communities and markets in which we operate. Reputational risks are managed by risk management frameworks applied to all Operating and Central Service Groups.

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 decisions taken during the year ended 31 March 2023. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Directors considered these matters is set out in the Directors' Report on pages 8 to 10.

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 Macquarie Group's shareholders, internal and external customers.

a) Likely consequences of any decision in the long term:

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

Any decision taken by Directors 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 for other Macquarie Group entities. 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 met to consider during the year were:

- the approval of the statutory financial statements of the Company, and
- the approval of the payment of a dividend to the Company's Shareholder.

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

Section 172(1) Statement (continued)

b) Interests of the Company's workforce:

Though the Company itself does not have any direct employees, (it utilises the services of employees employed by the Macquarie Group via a range of internal shared services agreements). The workforce culture, values, behaviours, performance, and engagement drive how it serves its customers and interacts with suppliers.

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 internal to the 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. ESG considerations are embedded in both our operational and investment decision-making, along with the asset management frameworks that inform how our portfolio companies assess and improve their performance.

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

Clear dialogue with stakeholders is important for 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, employees, 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.

Environmental and Social Risks ('ESR') are managed through the implementation of the ESR and Work Health and Safety ('WHS') policies. These are updated periodically to address opportunities for improvement and emerging risks.

The Company has not individually committed to net zero emissions but forms part of Macquarie Group's net zero commitment. Macquarie Group has made a commitment to reach net zero emissions in its group-wide own business operations, across Scope 1 and 2 emissions by 2025 which can be found in the 2025 Sustainability Plan (available at Macquarie website) and to align its financing activity with the global net zero emissions goal by 2050. In line with the Net Zero Banking Alliance (NZBA) Guidelines, commitments relating to financing emissions are limited to on-balance sheet lending and equity investment activities.

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

Section 172(1) Statement (continued)

Community and the environment (continued)

It excludes on-balance sheet securities held for client facilitation and market making purposes (as opposed to held for investment). Lending refers to loan assets held at amortised cost and excludes certain items such as leasing, asset finance, trading assets and short-term financing (e.g. inventory finance). For motor vehicles, Macquarie Group has also included novated leases, given availability of both methodology and data. Macquarie Group has also published its first combined Group Net Zero and Climate Risk Report in December 2022 (available at Macquarie Website).

The Board acknowledges the work of the Macquarie Group Foundation (Foundation), which drives social impact work for Macquarie Group. The Foundation supports Macquarie's people, businesses, and communities to build a better future, leveraging both financial and non-financial resources to achieve the greatest social impact possible.

(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.

On behalf of the Board

Neil Denley
Director
12 October 2023

Directors' Report
for the financial year ended 31 March 2023

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

Directors and Secretary
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:

N Denley
T Senior (resigned on 10 February 2023)
P Stokes (appointed on 04 April 2023)
S Mackie (resigned on 25 August 2023)
M Boulkenafet (appointed on 03 October 2023)

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

H Everitt

Results
The profit for the financial year ended 31 March 2023 was £934,322 (2022: profit of £5,577,628).

Dividends
Interim dividends of £4,500,000 (2022: £5,700,000) were paid during the current financial year. No other dividend has been proposed.

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

Going concern
The principal activity of the Company during the financial year ended 31 March 2023 was to act as a holding Company. One of the subsidiaries of the Company, Capital Meters Holdings Limited, applied for strike off with Companies House on 19 April 2023. The other subsidiary of the Company, Macquarie Corporate & Asset Finance 1 Limited, is dormant and currently in the process of being liquidated.

Accordingly, these financial statements have been prepared on a basis other than going concern as it is the Directors' intention to wind up the Company and liquidate within the next 12 months from the date of signing these Financial Statements. Additionally where appropriate, the carrying value of the Company's assets approximates net realisable value and non-current assets/liabilities are reclassified as current on the balance sheet.

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

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

Likely developments, business strategies and prospects

Russia-Ukraine conflict
The risk presented by the Russia-Ukraine conflict is managed by the Company within the framework of the overall strategy and risk management structure of the Macquarie Group.

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

Global inflation and high interest rates
The Directors have assessed the impact of the high interest rate and high inflationary environment on the Company.

The Directors have concluded that these did not have a material impact on the operations of the Company during the current financial period.

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 period.

In preparing these 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.

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.

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

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

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

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

Independent Auditors
Pursuant to section 487(2) of the Companies Act 2006, the auditors of the Company are deemed re-appointed for each financial year unless the Directors or the members of the Company resolve to terminate their appointment. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and, as at the date of these financial statements, the Directors are not aware of any resolution to terminate the appointment of the auditors.

On behalf of the Board

Neil Denley

Director

12 October 2023

Financial statements

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

	Notes	2023 £	2022 £
Turnover	4	**1,000,000**	7,700,000
Administrative expenses	4	**(63,992)**	(42,463)
Other operating (expenses)/income	4	**(117)**	8,678
Operating profit		**935,891**	7,666,215
Interest receivable and similar income	4	**16,392**	4,188
Interest payable and similar expenses	4	**(82,307)**	(66,234)
Amounts written off investments	4	**38,151**	(2,046,411)
Profit before taxation		**908,127**	5,557,758
Tax on profit	5	**26,195**	19,870
Profit for the financial year		**934,322**	5,577,628

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

Turnover and profit before taxation relate wholly to continuing operations.

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

Balance Sheet
as at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Investments in subsidiaries	7	-	6,503,904
Current assets			
Debtors	8	**6,461,804**	572,083
Investments in subsidiaries	7	**665,245**	-
Current liabilities			
Creditors: amounts falling due within one year	9	**(6,223,776)**	(8,949)
Net current assets		**903,273**	563,134
Total assets less current liabilities		**903,273**	7,067,038
Creditors: amounts falling due after more than one year	10	-	(2,598,087)
Net assets		**903,273**	4,468,951
Capital and reserves			
Called up share Capital	11	**100**	100
Profit and loss account	12	**903,173**	4,468,851
Total Capital and reserves		**903,273**	4,468,951

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

The financial statements on pages 11 to 24 were approved for issue by the Board of Directors on 12 October 2023 and were signed on its behalf by:

Neil Denley
Director

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

	Notes	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Balance as at 1 April 2021		100	4,591,223	4,591,323
Profit for the financial year		-	5,577,628	5,577,628
Total comprehensive income		-	5,577,628	5,577,628
Transactions with equity holders in their capacity as ordinary equity holders:				
Dividends paid	6	-	(5,700,000)	(5,700,000)
Balance as at 31 March 2022		**100**	**4,468,851**	**4,468,951**
Profit for the financial year		-	934,322	934,322
Total comprehensive income		-	934,322	934,322
Transactions with equity holders in their capacity as ordinary equity holders:				
Dividends paid	6	-	(4,500,000)	(4,500,000)
Balance as at 31 March 2023		**100**	**903,173**	**903,273**

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

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

Note 1. Company information

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

The principal activity of the Company during the financial year ended 31 March 2023 was to act as a holding company.

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

The principal activity of the Company during the financial year ended 31 March 2023 was to act as a holding Company. One of the subsidiaries of the Company, Capital Meters Holdings Limited, applied for strike off with Companies House on 19 April 2023. The other subsidiary of the Company, Macquarie Corporate & Asset Finance 1 Limited, is dormant and currently in the process of being liquidated.

Accordingly, these financial statements have been prepared on a basis other than going concern as it is the Directors' intention to wind up the Company and liquidate within the next 12 months from the date of signing these Financial Statements. Additionally where appropriate, the carrying value of the Company's assets approximates net realisable value and non-current assets/liabilities are reclassified as current on the balance sheet.

As at 31 March 2023, the Company had net assets of £903,273 (2022: £4,468,951).

(ii) Basis of measurement

The financial statements have been prepared in accordance with the Companies Act 2006 and on a basis other than going concern basis which includes, where appropriate, the carrying value of the Company's assets approximates net realisable value.

(iii) Disclosure exemptions

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

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

- The requirements of paragraphs 38 of 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'
- 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 and 18A of IAS 24 'Related Party Disclosures' (key management compensation).
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.

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

Note 2. Basis of preparation (continued)

(iv) Critical accounting estimates and significant judgements

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

- timing and amount of impairment of investment in subsidiaries, including the reversal thereof (Note 3 (vii)); and

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

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

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

The amendments to existing accounting standards that are effective for the annual reporting period beginning on 1 April 2022 did not result in a material impact to the Company's financial statements.

Note 3. Significant accounting policies

i) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

Foreign exchange gains and losses arising from the settlement or translation of monetary items, or non-monetary items measured at fair value are recognised in other operating income.

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

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

Note 3. Significant accounting policies (continued)

ii) Revenue and expense recognition

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

Judgement is applied in determining whether distributions from subsidiaries is 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 turnover when the recognition criteria are met.

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

Other operating income/(expense)
Other operating income and charges comprises of gain on transfer of investment in subsidiaries and foreign exchange differences.

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. The calculation of the EIR does not include ECL.

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

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

Amounts written off investments
Amounts written off investments comprise of impairment on investment in subsidiary.

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.

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

The Company 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.

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

Note 3. Significant accounting policies (continued)

iv) Financial instruments

Recognition of financial instruments

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

A financial instrument is initially recognised at fair value and is adjusted for (in the case of instruments not classified at FVTPL) for transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument, and fees that are an integral part of the effective interest rate. Transaction costs and fees paid or received relating to financial instruments carried at FVTPL are recorded in the profit and loss account.

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

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

De-recognition of financial instruments

Financial assets

Financial assets are derecognised from the balance sheet when:

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

A financial asset is transferred if, and only if, the Company:
(i) transfers the contractual rights to receive the cash flows of the financial asset; or
(ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to 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 derecognised if control over the asset is lost. Any interest in the transferred and derecognised financial asset that is created or retained by the Company is recognised as a separate asset or liability.

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

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

Note 3. Significant accounting policies (continued)

iv) Financial instruments (continued)

De-recognition of financial instruments (continued)

Financial liabilities

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

Gains and losses on the de-recognition of debt financial assets and liabilities

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

– other income/(loss) as part of other operating expenses for all other financial assets and financial liabilities.

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 together to achieve a particular business objective. 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 business model and 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 classified as DFVTPL.

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

Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

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

Note 3. Significant accounting policies (continued)

iv) Financial instruments (continued)

Offsetting of financial instruments

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

v) Investments

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(viii) *Impairment*.

vi) Provisions and contingent liabilities

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

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

Contingent liabilities, which generally include letters of credit, performance-related contingents and guarantees are disclosed in Note 16 - *Contingent liabilities and commitments.*

vii) Due to/from related entities

Transactions between the Company and its subsidiaries principally arise from the provision of lending arrangements and acceptance of funds on deposit, intercompany services and transactions and are accounted for in accordance with Note 3(ii) - *Revenue and expense recognition* and Note 3(iv) -*Financial Instruments*. Financial assets and financial liabilities are presented net where the offsetting requirements are met (Note 3(iv)), such that the net amount is reported in the balance sheet.

viii) Impairment

Expected credit losses ("ECL")

The ECL requirements apply to financial assets measured at amortised cost. 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 period that are different from management's assumptions and estimates could result in changes to the timing and amount of ECL to be recognised.

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

Note 3. Significant accounting policies (continued)

viii) Impairment (continued)

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 the instrument has been reclassified from stage 2.

(ii) Stage 2 – Lifetime ECL not credit-impaired

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

Use of alternative criteria could result in significant changes to the timing and amount of ECL to be recognised. Lifetime ECL is generally determined based upon the contractual maturity adjusted, where appropriate, for prepayments, extension, call and similar options, of the financial asset. For revolving facilities, the Company exercises judgement based on the behavioural, rather than contractual characteristics of the facility type. Stage 2 may include financial assets where the credit risk has improved and has been reclassified from stage 3.

(iii) Stage 3 – Lifetime ECL credit-impaired

Financial assets are classified as Stage 3 where they are determined to be credit impaired, which generally matches the 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 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 investments in subsidiaries

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

ix) Called up share capital

Ordinary shares are classified as equity.

x) Rounding off amounts

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

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

	2023 £	2022 £
Note 4. Profit before taxation		
Profit before taxation is stated after crediting/(charging):		
Turnover by category:		
Dividend income	**1,000,000**	7,700,000
Total turnover	**1,000,000**	7,700,000
Administrative expenses		
Service fees paid to Macquarie Group undertakings	**(34,702)**	(24,695)
Auditors' remuneration		
– Fees payable to the Company's auditors for the audit of the Company[1]	**(27,650)**	(18,086)
Other administrative (expenses)/income	**(1,640)**	318
Total administrative expenses	**(63,992)**	(42,463)
Interest		
Interest receivable and similar income from other Macquarie Group undertakings		
Effective interest rate method - amortised cost	**16,392**	4,188
Total interest receivable and similar income	**16,392**	4,188
Interest payable and similar expenses to other Macquarie Group undertakings		
Effective interest rate method - amortised cost	**(82,307)**	(66,234)
Total interest payable and similar expenses	**(82,307)**	(66,234)
Other operating (expense)/income		
Foreign exchange losses	**(120)**	(130)
Credit impairment reversals/(charges)	**3**	(57)
Service fees received from other Macquarie Group undertakings	**-**	57
Net gain on sale of subsidiaries	**-**	8,808
Total other operating (expense)/income	**(117)**	8,678
Amounts written off investments	**38,151**	(2,046,411)
Total amounts written off investments	**38,151**	(2,046,411)

[1] Includes £1,084 in relation to the fees for the previous year.

The Company had no employees during the current and previous financial year.

Note 5. Tax on profit

(i) Tax expense included in profit		
Current tax		
UK corporation tax at 19% (2022: 19%)	**24,705**	19,871
Adjustment in respect of previous periods	**1,490**	(1)
Total current tax	**26,195**	19,870

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

Note 5. Tax on profit (continued)

(ii) Reconciliation of effective tax rate

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

	2023 £	2022 £
Profit before taxation	**908,127**	5,557,758
Current tax charge at 19% (2022: 19%)	**(172,544)**	(1,055,974)
Effect of -		
Adjustment to tax charge in respect of previous periods	**1,490**	(1)
Non-deductible expenses	**-**	(388,829)
Non assessable gains	**7,249**	1,674
Non assessable income	**190,000**	1,463,000
Total tax on profit	**26,195**	19,870

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.

Note 6. Dividends paid

Ordinary share capital

	2023	2022
- Interim dividend paid of £45,000 per share (2022: £57,000 per share)	**(4,500,000)**	(5,700,000)
Total dividends paid (Note 12)	**(4,500,000)**	(5,700,000)

Note 7. Investments in subsidiaries

	2023	2022
Investments at cost with no provisions for impairment	**665,244**	665,244
Investments at cost with provisions for impairment	**5,838,660**	7,941,073
Impairment reversals/(charges) [1]	**38,151**	(2,046,411)
Return of capital	**(5,876,810)**	(56,002)
Investments with provisions for impairment	**1**	5,838,660
Total investments in subsidiaries	**665,245**	6,503,904

[1] In accordance with the Company's accounting policies the Company reviewed its investments in subsidiaries for indicators of impairment and reversals, where its investments had such indicators, the investments' carrying value was compared to its recoverable value determined as the higher of value-in-use and fair value less cost to sell (valuations).

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

Note 7. 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	2023 % ownership	2023 £	2022 % ownership	2022 £
Macquarie Corporate & Asset Finance 1 Limited	Financing Company	United Kingdom	100	**665,244**	100	665,244
Capital Meters Holdings Limited[1]	Holding Company	United Kingdom	100	**1**	100	5,838,660
Total investments in subsidiaries				**665,245**		6,503,904

[1] An application for strike off of Capital Meters Holdings Limited was filed with Companies House on 19 April 2023.

All material subsidiaries have a 31 March reporting date.

	2023 £	2022 £
Note 8. Debtors		
Amounts owed by other Macquarie Group undertakings[1]	**6,437,309**	553,902
Taxation	**24,495**	18,181
Total debtors	**6,461,804**	572,083

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

At the reporting date, amounts owed from other Macquarie Group undertakings has ECL allowance of £nil (2022: £nil).

Note 9. Creditors: amounts falling due within one year

Amounts owed to other Macquarie Group undertakings[1]	**(6,223,776)**	(8,949)
Total creditors: amounts falling due within one year	**(6,223,776)**	(8,949)

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

Note 10. Creditors: amounts falling due after more than one year

Amounts owed to other Macquarie Group undertakings	-	(2,598,087)
Total creditors: amounts falling due after more than one year	-	(2,598,087)

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

Note 11. Called up share capital

	2023 Number of shares	2022 Number of shares	2023 £	2022 £
Called up share capital				
Opening balance of fully paid ordinary shares at £1 per share	**100**	100	**100**	100
Closing balance of fully paid ordinary shares at £1 per share	**100**	100	**100**	100

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

	2023 £	2022 £
Note 12. Profit and loss account		
Balance at the beginning of the financial year	**4,468,851**	4,591,223
Profit for the financial year	**934,322**	5,577,628
Dividends paid (Note 6)	**(4,500,000)**	(5,700,000)
Balance at the end of the financial year	**903,173**	4,468,851

Note 13. Capital management strategy

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

The Company's capital management objectives are to maintain sufficient capital resources to:
- support the Company's business and operational requirements;
- safeguard interest of depositors' and the Company's ability to continue as a going concern.

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

Note 14. 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 17.

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

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

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

Note 15. Directors' remuneration

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

Note 16. Contingent liabilities and commitments

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

Note 17. Ultimate parent undertaking

At 31 March 2023 the immediate parent undertaking of the Company is Macquarie Corporate and Asset Finance Limited.

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

Note 18. Events after the reporting date

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

Independent auditors' report to the members of Macquarie Leasing (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Macquarie Leasing (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2023; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2(i) to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Daniel Pearce (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 October 2023