

MACQUARIE INTERNATIONALE INVESTMENTS LIMITED

Company Number 04957256

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



The Company's registered office is:
Ropemaker Place
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London EC2Y 9HD
United Kingdom



Macquarie Internationale Investments Limited

2021 Strategic Report, Directors' Report and Financial Statements Contents

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Strategic Report

for the financial year ended 31 March 2021

In accordance with a resolution of the directors (the "Directors") of Macquarie Internationale Investments 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 2021 ("current financial year") was to act as an investment holding company for the following investments:

- Macquarie International Holdings Limited ("MIHL"), which acts as a holding company;
- Macquarie Capital Securities (Japan) Limited ("MCSJL"), which operates as a Japanese stockbroking company; and
- Macquarie Securities Korea Limited ("MSKL"), which operates a securities and derivatives dealing business.

The Company also provides intercompany funding to other Macquarie related entities.

Review of operations

The profit for the financial year ended 31 March 2021 was £232,183, a decrease of 99 percent from the profit of £18,748,946 in the previous financial year.

Net operating profit for the year ended 31 March 2021 was £744,252, a decrease of 95 percent from the operating profit of £16,356,908 in the previous financial year.

Total operating income for the year ended 31 March 2021 was £744,252, as compared to total operating expense of £2,051,789 in the previous financial year.

As at 31 March 2021, the Company had net assets of £181,947,603 (2020: £181,715,420).

During the year, the Company's loan assets and unsecured notes with Macquarie Securities South Africa (PTY) Ltd. ("MSSA"), previously named Macquarie Securities South Africa Limited, were redeemed.

There has been no change to the approach of managing capital during the year ended 31 March 2021 by the Company in comparison to the prior financial year. At all times during the year ended 31 March 2021 the Company was in compliance with both internally and externally imposed capital requirements to which it is subject. As such, there was no consequence of non-compliance imposed upon the Company.

Principal risks and uncertainties

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

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

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

Strategic Report

for the financial year ended 31 March 2021 (continued)

Principal risks and uncertainties (continued)

On 31 December 2020, the transition period relating to the withdrawal of the United Kingdom ("UK") from the European Union ("EU") (known as "Brexit") came to an end. Whilst certain elements of the future relationship between the UK and EU have been agreed under a Trade and Cooperation Agreement, a number of matters remain uncertain. The Company continues to assess the possible impacts of Brexit and its strategic options to mitigate those impacts. As at this point in time, there has not been a significant financial impact on the Company.

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

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

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

Financial risk management

Risk is an integral part of the Macquarie Group's businesses. The Company is exposed to a variety of financial risks that include the effects of credit risk, liquidity risk, interest rate risk, foreign exchange risk and operational risk. Additional risks faced by the Company include legal, compliance and documentation risk. Responsibility for management of these risks lies with the individual businesses giving rise to them. It is the responsibility of the 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 which the Company are exposed to are managed on a globally consolidated basis for MGL as a whole, including all subsidiaries, in all locations. Macquarie's internal approach to risk ensures that risks in subsidiaries are subject to the same rigour and risk acceptance decisions.

Credit risk

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

Liquidity risk

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

Interest rate risk

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include receivables from other Macquarie Group undertakings, which earn fixed and variable rate of interest. Interest bearing liabilities include payables to other Macquarie Group undertakings, which also incur fixed and 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 a group wide process of minimising exposure at an individual Company level.

Strategic Report**for the financial year ended 31 March 2021 (continued)****Financial risk management (continued)****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.

Section 172 (1) Statement

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

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

From the perspective of the Directors, the matters that the Board is responsible for considering under Section 172 of the Companies Act 2006 have been considered appropriately. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Directors considered these matters is set out in the Directors' report on pages 7 to 9.

Other matters

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

On behalf of the Board



Robert Thompson
Director

9 December 2021

Macquarie Internationale Investments Limited

Company Number 04957256

Directors' Report for the financial year ended 31 March 2021

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

Directors and Secretaries

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

P Nash
A Nottingham
R Thompson

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 2021 was £232,183 (2020: £18,748,946).

Dividends

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

State of affairs

During the year, the Company's loan assets and unsecured notes with MSSA were redeemed.

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 the Directors' report.

Going concern

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

Events after the reporting year

On 30 June 2021, the Company received a dividend from Macquarie Securities Korea Limited of £3,199,585 and on 22 July 2021, the Company received a dividend from Macquarie International Holdings Limited of £15,674,329. On 5 August 2021, the Company paid a dividend of £15,674,329 to Macquarie (UK) Group Services Limited.

On 30 September 2021, the Company paid a dividend of £20,000,000 to Macquarie (UK) Group Services Limited.

At the date of this report, the Directors are not aware of any other matters or circumstances 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 2021 not otherwise disclosed in this report.

Directors' Report

for the financial year ended 31 March 2021 (continued)

Likely developments, business strategies and prospects (continued)

Coronavirus (COVID-19) (continued)

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.

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

IBOR are interest rate benchmarks that are used in a wide variety of financial instruments such as derivatives and lending arrangements. Examples of IBOR include 'LIBOR' (the London Inter-bank Offered Rate) and 'EURIBOR' (the Euro Inter-bank Offered Rate). Each IBOR is calculated and published daily based on submissions by a panel of banks. Over time, changes in interbank funding markets have meant that IBOR panel bank submissions have become based less on observable transactions and more on expert judgement. Financial markets' authorities reviewed what these changes meant for financial stability, culminating in recommendations to reform major interest rate benchmarks. As a result of these recommendations, many IBOR around the world are undergoing reforms.

Due to a lack of observable transactions to support robust LIBOR reference rates, LIBOR publication for the majority of currencies is expected to cease in the next financial year by 31 December 2021. To facilitate the transition of contracts from LIBOR to ARRs on an economically equivalent basis, adjustments for term and credit differences will need to be applied.

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

As at 31 March 2021, the Company did not have any material exposures to the impacted IBOR benchmarks and is not materially impacted by the transition to ARRs.

The Directors believe that no other significant changes are expected other than those already disclosed in this report and 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 and Directors' Report and the financial statements in accordance with applicable law and regulation.

Directors' Report

for the financial year ended 31 March 2021 (continued)

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

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Section 172 Disclosure

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 and internal customers.

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

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

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 an investment holding company for the following investments:

- Macquarie International Holdings Limited, which acts as a holding company;
- Macquarie Capital Securities (Japan) Limited, which operates as a Japanese stockbroking company; and
- Macquarie Securities Korea Limited, which operates a securities and derivatives dealing business.

Directors' Report
for the financial year ended 31 March 2021 (continued)

Section 172 Disclosure (continued)

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

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

- The suitability of the Company's auditors, pursuant to section 7.10 of the Johannesburg Stock Exchange Debt Listings Requirements;
- the de-listing of the Company's inward listed Debt Instrument Programme ("Debt Programme") from the Johannesburg Stock Exchange; and
- the approval of the statutory financial statements of the Company.

(b) Interests of the Company's workforce

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

(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.

Regulators - During the year and until the above-mentioned de-listing, the Company was an issuer of listed debt securities in South Africa under its Debt Programme. The Company had listed its debt securities on the interest rate market of its regulator, the Johannesburg Stock Exchange, and as such was required to comply with the regulations stipulated in the Johannesburg Stock Exchange Debt Listing Requirements. Until its de-listing, the Company worked closely with the Debt Sponsor to ensure compliance with applicable regulations, including the Debt Listing Requirements.

The Board recognises in the context of its Debt Programme, it is imperative that the Company fosters and maintains strong, positive relationships with its regulator, JSE, and its Debt Sponsor, and all other agents assisting in the compliance of the JSE Debt Listing Requirements and that all communications are timely, accurate and complete.

(d) Community and the environment

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

Directors' Report
for the financial year ended 31 March 2021 (continued)

Section 172 Disclosure (continued)

(d) Community and the environment (continued)

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

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

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

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.

Streamlined energy and carbon reporting ("SECR") requirement

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

Macquarie Internationale Investments Limited

Company Number 04957256

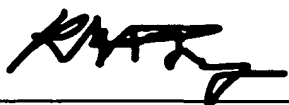
Directors' Report

for the financial year ended 31 March 2021 (continued)

Independent Auditors

Pursuant to section 487(2) of the Act, 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



Robert Thompson
Director

9 December 2021

Macquarie Internationale Investments Limited

Company Number 04957256

Financial Statements

Profit and loss account

for the financial year ended 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|----------------|-------------------|
| Turnover | 4 | - | 18,408,697 |
| Administrative expenses | 4 | (48,630) | (54,998) |
| Other operating income/(expenses) | 4 | 792,882 | (1,996,791) |
| Operating profit | | 744,252 | 16,356,908 |
| Interest receivable and similar income | 4 | 4,204,718 | 25,156,841 |
| Interest payable and similar expenses | 4 | (4,656,071) | (21,181,215) |
| Profit before taxation | 4 | 292,899 | 20,332,534 |
| Tax on profit | 5 | (60,716) | (1,583,588) |
| Profit for the financial year | | 232,183 | 18,748,946 |

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.

Macquarie Internationale Investments Limited

Company Number 04957256

Balance sheet as at 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|--------------------|---------------------|
| Fixed assets | | | |
| Investments in subsidiaries | 6 | 148,260,015 | 157,555,108 |
| Loan assets | 7 | - | 32,150,435 |
| Current assets | | | |
| Deferred tax assets | 8 | 76,156 | 95,197 |
| Debtors | 9 | 59,121,399 | 65,863,186 |
| Loan assets | 7 | - | 54,263,328 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 10 | (25,509,967) | (96,093,836) |
| Net current assets | | 33,687,588 | 24,127,875 |
| Total assets less current liabilities | | 181,947,603 | 213,833,418 |
| Creditors: amounts falling due after more than one year | 11 | - | (32,117,998) |
| Net assets | | 181,947,603 | 181,715,420 |
| Capital and reserves | | | |
| Called up share capital | 12 | 36,230,816 | 36,230,816 |
| Other reserves | 13 | 122,301,683 | 122,301,683 |
| Profit and loss account | 13 | 23,415,104 | 23,182,921 |
| Total shareholders' funds | | 181,947,603 | 181,715,420 |

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 30 were authorised for issue by the Board of Directors on 9 December 2021 and were signed on its behalf by:



Robert Thompson
Director

Macquarie Internationale Investments Limited

Company Number 04957256

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

| | | Called up share capital | Other reserves | Profit and loss account | Total shareholders' funds |
|---------------------------------|------|----------------------------|--------------------|----------------------------|---------------------------------|
| | Note | £ | £ | £ | £ |
| Balance at 1 April 2019 | | 36,230,816 | 122,301,683 | 4,433,975 | 162,966,474 |
| Profit for the financial year | 13 | - | - | 18,748,946 | 18,748,946 |
| Total comprehensive income | | - | - | 18,748,946 | 18,748,946 |
| Balance at 31 March 2020 | | 36,230,816 | 122,301,683 | 23,182,921 | 181,715,420 |
| Profit for the financial year | 13 | - | - | 232,183 | 232,183 |
| Total comprehensive income | | - | - | 232,183 | 232,183 |
| Balance at 31 March 2021 | | 36,230,816 | 122,301,683 | 23,415,104 | 181,947,603 |

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.

Macquarie Internationale Investments Limited

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

Note 1. Company information

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom 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 2021 was to act as an investment holding company for the following investments:

- Macquarie International Holdings Limited ("MIHL"), which acts as a holding company;
- Macquarie Capital Securities (Japan) Limited ("MCSJL"), which operates as a Japanese stockbroking company; and
- Macquarie Securities Korea Limited ("MSKL"), which operates a securities and derivatives dealing business.

The Company also provides intercompany funding to other Macquarie related entities.

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.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(i) Going concern

As at 31 March 2021, the Company had net assets of £181,968,562 (2020: £181,715,420). The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(ii) Basis of measurement

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

- financial instruments (including derivatives) required to be measured at fair value through profit or loss ("FVTPL");
- financial assets and liabilities that are otherwise measured on an amortised cost basis or on a cost basis.

(iii) Disclosure exemptions

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of 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 IFRS 7 'Financial Instruments: Disclosures';
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities); and
- The requirements of IAS 7 'Statement of Cash Flows'.

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 2. Basis of preparation (continued)

(iii) Disclosure exemptions (continued)

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

- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation);
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.

(iv) Critical accounting estimates and significant judgements

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

- judgement in timing and amount of impairment of investment in subsidiaries, including the reversal thereof (Note 6).

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

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

(v) Coronavirus (COVID-19) impact

The Company's processes to determine the impact of COVID-19 for these financial statements is consistent with the processes disclosed and applied in its 31 March 2020 financial statements. Those processes identified that expected credit losses 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 period, the impact of events that arise after the reporting period will be accounted for in future reporting periods. The impact of COVID-19 has been discussed further in each of the related notes.

Processes applied

As a consequence of COVID-19 and in preparing these financial statements, management:

- re-evaluated whether there were any additional areas of judgement or estimation uncertainty beyond what has been disclosed above;
- updated its economic outlook – principally for the purposes of inputs into its expected credit losses ("ECL") through the application of forward-looking information, but also for input into the impairment analysis of financial and non-financial asset classes and disclosures such as fair value disclosures of financial assets and liabilities;
- conducted several internal processes to ensure consistency in the application of the expected impact of COVID-19 across all asset classes.
- assessed the carrying values of its assets and liabilities and determined the impact thereon as a result of market inputs and variables impacted by COVID-19; and
- considered the impact of COVID-19 on the Company's financial statement disclosures.

Consideration of the statements of financial position and further disclosures

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

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 2. Basis of preparation (continued)

Derivative assets and liabilities

The Company reviewed the appropriateness of the inputs to its valuations at balance sheet date. These included valuation adjustments ("XVA") and notably the credit valuation adjustment ("CVA"), debit valuation adjustment ("DVA") and funding valuation adjustment ("FVA"). The impact of changes of inputs to the valuations has also been considered in terms of the classification of exposures in the fair value hierarchy and transfers within the fair value hierarchy. Refer to Note 18.

Loans and receivables

In response to COVID-19 the Company undertook a review of wholesale and retail credit portfolios, loan to other Macquarie entities and other financial asset exposures [as applicable] and the ECL for each. The review considered the macroeconomic outlook, customer credit quality, the type of collateral held, exposure at default, and the effect of payment deferral options as at the reporting date. The ECL methodology, SICR thresholds, and definition of default remained consistent with prior periods. The impact of COVID-19 on the credit risk management disclosures, notably in relation to credit quality and collateral and other credit enhancements was also considered. Refer to Note 7 and 9.

Investments in subsidiaries

The Company's investments in subsidiaries is diversified, has been acquired over time and covers various sectors (including infrastructure and green energy) and geographic locations. When it has been assessed that there is an indicator of impairment the Company tests the carrying amount of each of its investments for impairment, by comparing the investment's recoverable amount with its carrying value. In addition to the Company assessing its investments in subsidiaries for impairment, the Company re-affirmed that there were no circumstances as a result of COVID-19 that would affect the existing control conclusion for its subsidiaries, including structured entities, nor did it highlight instances in which the Company now had control of such entities. Refer to Note 6.

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

The amendments to existing accounting standards that are effective for the annual reporting period beginning on 1 April 2020 did not result in a material impact to the Company's financial statements.

Note 3. Significant accounting policies

i) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the other operating income.

ii) Revenue and expense recognition

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, and debt financial assets classified as at fair value through other comprehensive income ("OCI"). The EIR method calculates the amortised cost of a financial instrument at a rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Fees and transaction costs that are integral to the lending arrangement are recognised in interest income or interest expense, as applicable, over the expected life (or, when appropriate, a shorter period) of the instrument in accordance with the EIR method.

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

ii) Revenue and expense recognition (continued)

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

The calculation of the EIR does not include ECL, except for financial assets which on initial recognition are classified as purchased or originated credit impaired ("POCI"). Interest income on these assets is determined using a credit adjusted EIR by discounting the estimated future cash receipts, including credit losses expected at initial recognition, through the expected life of the financial instrument to the net carrying amount of the financial asset.

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

Interest income and expense on financial assets and liabilities that are classified as FVTPL is accounted for on a contractual rate basis.

Other operating income/(expenses)

Other operating income/(expenses) comprises of gains and losses related to foreign exchange differences and credit impairment charges.

Expenses

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

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 periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered, or the liabilities are settled under enacted or substantively enacted tax law.

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

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

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.

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (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.

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 fair value through profit and loss ("FVTPL")) for transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument, and fees that are an integral part of the effective interest rate. Transaction costs and fees paid or received relating to financial instruments carried at FVTPL are recorded in the profit and loss account.

The best evidence of a financial instrument's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only inputs from observable markets. Where such alternative evidence exists, the Company recognises profit or loss immediately when the instrument is recognised ('day 1 profit or loss'). When significant unobservable inputs are used to determine fair value, the day 1 profit or loss is deferred and is recognised in the profit and loss account over the life of the transaction or when the inputs become observable.

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

- are entered into at the same time and in contemplation of one another;
- have the same counterparty;
- relate to the same risk;
- there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction; and
- 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 de-recognised from the balance sheet when:

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

A financial asset is transferred if, and only if, the Company i) transfers the contractual rights to receive the cash flows of the financial asset, or ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where:

- the Company is not obligated to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- the Company is prohibited from selling or pledging the original asset other than as security to the eventual recipients; and
- the Company is obligated to remit any cash flows it collects on behalf of the eventual recipients without material delay.

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

iv) Financial instruments (continued)

Derecognition of financial instruments (continued)

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

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

Financial liabilities

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

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 determines the business model at the level that reflects how groups of financial assets are managed. 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. 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.

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

iv) Financial instruments (continued)

Classification and subsequent measurement (continued)

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

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).

Equity financial assets that are not held for active trading are measured at FVTPL. Subsequent changes in fair value are recognised as investment income within other operating income and charges.

Subsequent changes in the fair value of debt financial assets are measured at FVTPL are presented as follows:

- Changes in the fair value of all other FVTPL and DFVTPL financial assets are recognised as part of other income and charges within other operating income and charges.

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

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).

All derivative liabilities are classified as HFT, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVTPL. Refer to Note 3(v) Derivative instruments and hedging activities for the detailed hedge accounting policy.

Changes in the fair value of financial liabilities that are not classified as HFT are, with the exception of changes in fair value relating to changes in the Company's own credit risk that are presented separately in OCI and are not subsequently reclassified to profit or loss, are recognised in other income and charges as part of other operating income and charges.

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) Derivative instruments and hedging activities

Derivative instruments entered into by the Company include forwards in the foreign exchange markets. These derivative instruments are principally used by the Company for the purposes of risk management of existing and forecast financial and non-financial assets and liabilities and are also entered into for client trading purposes.

Derivatives are recognised in the balance sheet as an asset where they have a positive fair value at the reporting date or as a liability where they have a negative fair value at the reporting date.

Derivatives that may have both positive or negative values must meet both the asset and liability derecognition tests before it is derecognized from the balance sheet.

Fair values are obtained from quoted prices in active markets where available, or valuation techniques including discounted cash flow models and option pricing models, as appropriate. The accounting for derivatives is subject to the application of the day 1 profit or loss policy as described in Note 3(iv) Financial instruments.

The Company applies trade date accounting to the recognition and derecognition of derivative financial instruments.

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

vi) Hedge Accounting

As part of its ongoing business, the Company is exposed to several financial risks, principally that of foreign exchange rates (referred to as the hedged risk or exposure). The Company has limited appetite for such risks and has policies and practices in place to ensure that these risks are effectively managed. The Company mitigates these risks through the use of derivative financial instruments and, in the case of foreign currency risk, foreign-denominated debt issued (collectively referred to as hedging instruments). The company applies hedge accounting to manage accounting mismatches arising from the difference in measurement basis or location of the gains and losses recognised between the exposure that is being hedged and the hedging instrument.

In order to account for the differences, the Company applies hedge accounting as below:

Fair value hedge

- Nature of hedge: The hedge of the fair value risk on the non-functional currency investments by the Company due to changes in foreign currency rates.
- Hedged risk: Foreign exchange risk (spot)
- Hedged item: Foreign currency denominated investment
- Hedging instrument: Foreign exchange forward contracts and foreign currency denominated issued debt
- Designation and documentation: At inception of the hedge relationship, documentation is required of the Company's risk management objective and strategy for the hedge, hedging instrument, hedged item, hedged risk and how the hedge relationship will meet the hedge effectiveness requirements.
- Hedge effectiveness method: All hedge relationships are required to be assessed for hedge ineffectiveness both at the inception and throughout the hedge relationship by demonstrating that:
 - an economic relationship exists between the hedged item and the hedging instrument;
 - credit risk does not dominate the changes in value of either the hedged item or the hedging instrument; and
 - the hedge ratio is reflective of the Company's risk management approach.

The hedge effectiveness assessment is performed by a combination of qualitative and, where applicable, quantitative assessments. Changes in the hedge ratio, or rebalancing, may be required to adjust the hedged item or the hedging instrument.

- Accounting treatment for the hedging instrument: Fair value through the profit and loss account.
- Accounting treatment for the hedged item: Carrying value adjusted for changes in fair value attributable to the hedged risk.
- Accounting treatment for hedge ineffectiveness: Recognised in the profit and loss account to the extent that changes in fair value of the hedged item attributable to the hedged risk are not offset by changes in fair value of the hedging instrument.
- Accounting treatment if the hedge relationship is discontinued: Where the hedged item still exists, adjustments to the hedged item are amortised to the profit and loss account on an effective interest rate basis.

vii) Loan assets

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

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

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

viii) Investments

Investment in subsidiaries

Subsidiaries are all those entities (including structured entities) over which the Company has the power to direct the relevant activities of the entity, exposure, or rights, to significant variable returns and the ability to utilise power to affect the Company's own returns.

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

xi) Investments (continued)

Investment in subsidiaries (continued)

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.

ix) 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, which generally include letters of credit, indemnities, performance-related contingents and guarantees (other than financial guarantees) are not recognised in the financial statements but are disclosed in the notes to the financial statements unless they are considered remote.

x) Due to/from related entities

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

xi) Impairment

Expected credit losses ("ECL")

The ECL requirements apply to financial assets measured at amortised cost and FVOCI, lease receivables, amounts receivable from contracts with customers, loan commitments, certain letters of credit and financial guarantee contracts issued that are not DFVTPL. The Company applies a three-stage approach to measuring the ECL based on changes in the financial asset's underlying credit risk and includes forward-looking or macroeconomic information ("FLI").

The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions. Outcomes within the next financial period that are different from management's assumptions and estimates could result in changes to the timing and amount of ECL to be recognised.

The ECL is determined with reference to the following stages:

(a) Stage I – 12 month ECL

At initial recognition, and for financial assets for which there has not been a significant increase in credit risk ("SICR") since initial recognition, ECL is determined based on the probability of default (PD) over the next 12 months and the lifetime losses associated with such PD, adjusted for FLI.

(b) Stage II – Lifetime ECL not credit-impaired

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

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 3. Significant accounting policies (continued)

xi) Impairment (continued)

Expected credit losses ("ECL") (continued)

Use of alternative criteria could result in significant changes to the timing and amount of ECL to be recognised. Lifetime ECL is generally determined based upon the contractual maturity of the financial asset. For revolving facilities, the Company exercises judgement based on the behavioural, rather than contractual characteristics of the facility type.

(c) Stage III – Lifetime ECL credit-impaired

Financial assets are classified as Stage III where they are determined to be credit impaired, which generally matches definition of default. This includes exposures that are at least 90 days past due and where the obligor is unlikely to pay without recourse against available collateral.

The ECL for credit impaired financial assets is generally measured as the difference between the contractual and expected cash flows from the individual exposure, discounted using the EIR for that exposure. For credit-impaired exposures that are modelled collectively for portfolios of exposure, ECL is measured as the product of the lifetime PD, the loss given default (LGD) and the exposure at default (EAD), adjusted for FLI.

Presentation of loss allowances

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

- loans and advances to other Macquarie group entities measured at amortised cost – as a deduction to the gross carrying amount.

Presentation of loss allowancesm (continued)

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

Impairment of 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.

xii) 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

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

| | 2021 £ | 2020 £ |
|--|--------------------|---------------------|
| Note 4. Profit before taxation | | |
| Profit before taxation is stated after crediting/(charging): | | |
| Turnover | | |
| Dividends from subsidiaries | - | 18,408,697 |
| Total turnover | - | 18,408,697 |
| Administrative expenses | | |
| Auditors' remuneration | | |
| - Fees payable to the Company's auditors for the audit of the Company ³ | (35,219) | (34,727) |
| Other administrative expenses | (13,411) | (20,271) |
| Total administrative expenses | (48,630) | (54,998) |
| Other operating income/(expense) | | |
| Foreign Exchange gains/(losses) and fair value changes on derivatives | 251,136 | (844,730) |
| Credit impairment reversals/(charges) | 541,746 | (621,782) |
| Loss on disposal of investment in subsidiary | - | (530,279) |
| Total other operating income/(expenses) | 792,882 | (1,996,791) |
| Interest | | |
| Interest receivable and similar income from: ¹ | | |
| Other Macquarie Group undertakings | 4,204,718 | 25,156,841 |
| Total interest receivable and similar income | 4,204,718 | 25,156,841 |
| Interest payable and similar expenses to: ² | | |
| Other Macquarie Group undertakings | (4,388,073) | (21,181,215) |
| Total interest payable and similar expenses | (4,656,071) | (21,181,215) |

⁽¹⁾Includes interest income calculated using effective interest method of £4,204,718 (2020: £25,156,841) on the financial assets in the Company that are measured at amortised cost.

⁽²⁾Includes interest expense of £4,656,071 (2020: £21,181,215) on the financial liabilities measured at amortised cost.

⁽³⁾Fees payable to the Company's auditors for current year includes £11,508 relating to previous year.

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

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

| | 2021 £ | 2020 £ |
|---|-----------------|--------------------|
| Note 5. Tax on profit | | |
| (i) Tax expense included in profit or loss | | |
| Current tax | | |
| UK corporation tax at 19.00% (2020: 19.00%) | 56,236 | (565,382) |
| Adjustment in respect of previous periods | - | 5,133 |
| Foreign tax suffered | (97,911) | (1,016,324) |
| Total current tax | (41,675) | (1,576,573) |
| Deferred tax | | |
| Origination and reversal of temporary differences | (19,041) | (19,039) |
| Effect of changes in tax rates | - | 12,024 |
| Total deferred tax | (19,041) | (7,015) |
| Tax on profit | (60,716) | (1,583,588) |

(ii) Reconciliation of effective tax rate

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

| | | |
|---|-----------------|--------------------|
| Profit before taxation | 304,407 | 20,332,534 |
| Current tax charge at 19% (2020: 19%) | (57,837) | (3,863,181) |
| Effects of: | | |
| Adjustment in respect of previous periods | - | 5,133 |
| Expenses not deductible for tax purposes | (7,899) | (218,891) |
| Foreign tax suffered | (97,911) | (1,016,324) |
| Non assessable income | 102,931 | 3,497,651 |
| Effect of changes in tax rates | - | 12,024 |
| Total income tax | (60,716) | (1,583,588) |

The UK Government announced in the Budget on 3 March 2021 that the main rate of corporation tax will increase to 25% for the financial year beginning 1 April 2023. Prior to this date, the rate of corporation tax will remain at 19%. The increase to 25% rate was not substantively enacted at 31 March 2021, therefore the company has continued to measure deferred tax balances at 19%. The company has estimated that the increase to 25% would increase the company's net deferred tax assets by £ 24,049.

Note 6. Investments in subsidiaries

| | | |
|---|--------------------|--------------------|
| Investments at cost with no provisions for impairment | 148,260,015 | 157,555,108 |
| Total investments in subsidiaries | 148,260,015 | 157,555,108 |

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 6. 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 | 2021 % Ownership | 2020 % Ownership | 2021 £ | 2020 £ |
|--|--|---|---------------------|---------------------|--------------------|--------------------|
| Macquarie Capital Securities (Japan) Limited ("MCSJL") (Ordinary shares) | Holding company for Japanese stockbroking services | PO Box 309Gt Ugland House, South Church Street George Town, Grand Cayman Cayman Islands | 100 | 100 | 50,088,099 | 57,059,694 |
| Macquarie International Holdings Limited ("MIHL") (Ordinary shares) | Holding company for Macquarie Securities Asia and Corporate Finance entities | Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom | 100 | 100 | 46,648,482 | 47,665,907 |
| Macquarie Securities Korea Limited ("MSKL") (Ordinary shares) | Securities and derivative dealing business | 3rd Floor, Hanwha Building, 109 Sogong-ro, Jung-gu Seoul 04525 Republic of Korea | 100 | 100 | 51,523,434 | 52,829,507 |
| Total investments in subsidiaries | | | | | 148,260,015 | 157,555,108 |

All material subsidiaries have a 31 March reporting date.

Note 7. Loan assets

Due from related entities:

Fixed assets

| | | |
|--------------------------|---|------------|
| Loan assets ¹ | - | 32,150,435 |
|--------------------------|---|------------|

Current assets

| | | |
|--------------------------|---|------------|
| Loan assets ² | - | 54,263,328 |
|--------------------------|---|------------|

| | | |
|--------------------------|----------|-------------------|
| Total loan assets | - | 86,413,763 |
|--------------------------|----------|-------------------|

¹MSSA had issued ZAR denominated unsecured redeemable fixed rate notes in the amount of ZAR 600,000,000 to the Company with an interest rate of 11.63%. The principal amount of ZAR 600,000,000 and all accrued interest originally had a maturity date of 28 August 2023, however the notes were redeemed during the year.

²MSSA had issued ZAR denominated unsecured zero coupon notes with the settlement amount of ZAR 1,202,860,610 to the Company. The total principal amount of ZAR 1,210,000,000 had an original maturity date of 14 April 2020 and was fully redeemed. The prior year balance is presented net of the stage 1 ECL provision of £303,327.

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| Note 8. Deferred tax assets | | |
| The balance comprises timing differences attributable to: | | |
| Financial instruments and revaluations | 76,156 | 95,197 |
| Net deferred tax assets | 76,156 | 95,197 |
| Reconciliation of the Company's movement in deferred tax assets: | | |
| Balance at the beginning of the financial year | 95,197 | 102,212 |
| Deferred tax charged | (19,041) | (19,039) |
| Effect of changes in tax rates | - | 12,024 |
| Balance at the end of the financial year | 76,156 | 95,197 |

Note 9. Debtors

| | | |
|---|-------------------|-------------------|
| Amounts owed by other Macquarie Group undertakings ¹ | 58,779,060 | 61,999,503 |
| Other financial market assets ² | 342,325 | 3,863,591 |
| Other debtors | 14 | 92 |
| Total debtors | 59,121,399 | 65,863,186 |

¹ Amounts owed by other Macquarie Group undertakings are unsecured have no fixed date of repayment. The Company derives interest on intercompany loans to group undertakings at market rates and at 31 March 2021 the rate applied ranged between LIBOR plus 1.21% and LIBOR plus 1.94% (2020: between LIBOR plus 1.06% and LIBOR plus 2.66%).

At the reporting date, amounts owed from other Macquarie Group undertakings has ECL allowance of £47,287 (2020: £242,751) which is net presented against the gross carrying amount.

² The other financial market assets represents derivative instruments held at FVTPL (Note 18).

Note 10. Creditors: amounts falling due within one year

| | | |
|---|---------------------|---------------------|
| Amounts owed to other Macquarie Group undertakings ¹ | (25,015,317) | (95,528,454) |
| Other financial market liabilities ² | (455,881) | - |
| Taxation | (38,769) | (565,382) |
| Total creditors | (25,509,967) | (96,093,836) |

¹ Amounts due to other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company incurs interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2021 the rate applied was LIBOR plus 1.09% (2020: LIBOR plus 1.63%).

² The other financial market liabilities represents derivative instruments held at FVTPL (Note 18).

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

| | 2021 | 2020 |
|--|------|------|
| | £ | £ |

Note 11. Creditors: amounts falling due after more than one year

| | | |
|--|---|---------------------|
| Unsecured notes ¹ | - | (32,117,998) |
| Total creditors: amounts falling due after more than one year | - | (32,117,998) |

¹The Company had issued ZAR denominated unsecured redeemable fixed rate notes, which were listed on the JSE, of the value of ZAR 600,000,000 to Macquarie Securities South Africa Limited with an interest rate of 11.55%. The principal amount of ZAR 600,000,000 and all accrued interest originally had a maturity date of 28 August 2023, however the notes were redeemed during the year.

Note 12. Called up share capital

| | 2021 Number of shares | 2020 Number of shares | 2021 £ | 2020 £ |
|---|-----------------------------|-----------------------------|--------------------|--------------------|
| Authorised share capital | | | | |
| Opening balance of authorised ordinary shares at £0.18 per share (2020: £0.18) | 3,888,888,889 | 3,888,888,889 | 700,000,000 | 700,000,000 |
| Closing balance of authorised ordinary shares | 3,888,888,889 | 3,888,888,889 | 700,000,000 | 700,000,000 |
| Called up share capital | | | | |
| Opening balance of fully paid ordinary shares at £0.18 per share. | 201,282,313 | 201,282,313 | 36,230,816 | 36,230,816 |
| Closing balance of fully paid ordinary shares | 201,282,313 | 201,282,313 | 36,230,816 | 36,230,816 |

Note 13. Reserves and profit and loss account

Other Reserves

| | | |
|---|--------------------|--------------------|
| Balance at the beginning of the financial year | 122,301,683 | 122,301,683 |
| Balance at the end of the financial year | 122,301,683 | 122,301,683 |

Profit and loss account

| | | |
|---|-------------------|-------------------|
| Balance at the beginning of the financial year | 23,182,921 | 4,433,975 |
| Profit for the financial year | 232,183 | 18,748,946 |
| Balance at the end of the financial year | 23,415,104 | 23,182,921 |

Note 14. Capital management strategy

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

The Company's capital management objectives are to:

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

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

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 15. 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 19.

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. 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.

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.

Investments held by Company's subsidiaries:

Details of holdings by subsidiary undertakings are as below:

| Name of related party | Registered office | 2021 % ownership | 2020 % ownership | Class of shares |
|--|---|---------------------|---------------------|-----------------|
| Subsidiaries of Macquarie International Holdings Limited: | | | | |
| Macquarie Capital Securities (Mauritius) Limited ("MCSML") | 33 Edith Cavell Street Port-Louis 11324, Mauritius | 100% | 100% | Ordinary shares |
| Macquarie Securities (Thailand) Limited ("MSTL") | 28th Floor, CRC Tower, All Seasons Place 87/2 Wireless Road, Lumpini Patumwan, Bangkok 10330 Thailand | 99.99% | 99.99% | Ordinary shares |
| Macquarie Capital Limited ("MCL") | Level 18, One International Finance Centre 1 Harbour View Street Central, Hong Kong | 100% | 100% | Ordinary shares |
| Macquarie Asia Securities Limited | Level 18, One International Finance Centre 1 Harbour View Street Central, Hong Kong | 100% | 100% | Ordinary shares |
| Macquarie Capital Securities (Philippines) Inc ("MCSPI") | Level 29, Tower 1, The Enterprise Center, Ayala Avenue, Makati City 1226, Philippines | 99.99% | 99.99% | Ordinary shares |
| Subsidiaries of Macquarie Capital Securities (Mauritius) Limited: | | | | |
| Macquarie Capital Securities (India) Private Limited | 92 Level 9, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051, India | 99.99% | 99.99% | Ordinary shares |
| Subsidiaries of Macquarie Capital Securities (India) Private Limited: | | | | |
| Macquarie Infrastructure and Real Assets (India) Private Limited | 92 Level 9, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051, India | 99.99% | 99.99% | Ordinary shares |

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 16. Directors' remuneration

During the financial year ended 31 March 2021 and 31 March 2020, 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 17. 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 18. Derivative financial instruments

Objectives of holding and issuing derivative financial instruments

The Company uses derivatives to hedge its investments. Certain derivative transactions may qualify as fair value hedges, if they meet the appropriate strict hedge criteria outlined in Note 3(v and vi) – Summary of significant accounting policies.

Fair value hedges: The Company's fair value hedges consist of foreign exchange forward contracts and borrowings used to hedge against changes in the fair value of foreign denominated equity instruments as a result of movements in market foreign exchange rates.

As at 31 March 2021, the fair value of outstanding derivatives held by the Company and used as hedging instruments was £113,556 Negative value (2020: £3,863,591 positive value), (Notes 9,10).

Note 19. Ultimate parent undertaking

At 31 March 2021, the immediate parent undertaking of the Company is Macquarie (UK) Group Services Limited.

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

Note 20. Events after the reporting year

On 30 June 2021, the Company received a dividend from Macquarie Securities Korea Limited of £3,199,585 and on 22 July 2021, the Company received a dividend from Macquarie International Holdings Limited of £15,674,329. On 5 August 2021, the Company paid a dividend of £15,674,329 to Macquarie (UK) Group Services Limited.

On 30 September 2021, the Company paid a dividend of £20,000,000 to Macquarie (UK) Group Services Limited.

There were no other material events subsequent to 31 March 2021 and up until the authorisation of the financial statements for issue, that have not been reflected in the financial statements.

Independent auditors' report to the members of Macquarie Internationale Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion, Macquarie Internationale Investments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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, comprising 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 2021; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

With respect to the Strategic report and 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 2021 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 the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the 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:

- Discussions with 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, particularly in relation to judgement in the timing and amount of impairment of investments in subsidiaries; 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

10 December 2021