

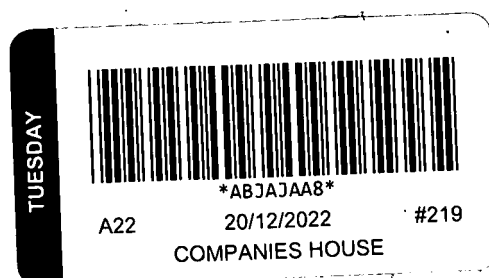
**MACQUARIE HOLDINGS (UK) NO.1 LIMITED**

COMPANY NUMBER 06309919

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



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



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# Macquarie Holdings (UK) No.1 Limited

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# Macquarie Holdings (UK) No.1 Limited

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## Strategic Report

for the financial year ended 31 March 2022

In accordance with a resolution of the directors (the "Directors") of Macquarie Commodities Finance (UK) No. 1 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 2022 ("current financial year") was to act as a holding company for Macquarie Ropemaker Limited ("MRL"), formerly Macquarie Bank International Limited ("MBIL").

### Review of operations

The profit for the year ended 31 March 2022 was £25,930,631, as compared to the result of £nil in the previous year. The year on year change was due to a dividend received in the current financial year.

Net operating profit for the year ended 31 March 2022 was £25,879,682, as compared to the net operating result of £nil in the previous year.

Total other operating expenses for the year ended 31 March 2022 was £20,206, as compared to total other operating expenses of £nil in the previous year.

As at 31 March 2022, the Company had net assets of £70,930,911 (2021: £330,000,000). The year on year change was due to a return of capital in the current financial year.

### Principal risks and uncertainties

The Company is responsible for its own risk acceptance decisions. From the perspective of the Company, the principal risks are credit risk, liquidity risk, interest rate risk, foreign exchange risk, operational risk, Group risk, conduct risk, strategic/business risk, environmental & social risk, financial crime risk and technology & cyber risk. The principal risks of the Company are monitored by the relevant division of the Risk Management Group ("RMG") of the Macquarie Group (Macquarie Group comprising Macquarie Group Limited ("MGL"), the ultimate parent of the Company, and its subsidiaries). There are currently no plans to substantially change the nature of the business going forward, where the Company will continue to act as an investment holding company.

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

- market conditions including: events that cause significant volatility in the market, global inflation and interest rates, and the impact of geopolitical events
- the uncertainty introduced by the Russia-Ukraine conflict
- potential tax or regulatory changes and tax uncertainties
- completion of period-end reviews and the completion rate of transactions
- the continued and evolving impact of Novel Coronavirus COVID-19

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

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

### Risk Management

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

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# Macquarie Holdings (UK) No.1 Limited

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## Strategic Report

for the financial year ended 31 March 2022 (continued)

### Risk Management (continued)

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

### Financial Risk Management

#### Credit risk

Credit risk is the risk that a counterparty will fail to complete its contractual obligations when they fall due. Credit exposures, approvals and limits are controlled 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 interest-bearing assets. Interest bearing assets include receivables from other Macquarie Group undertakings, which earn a variable rate of interest.

#### Foreign exchange risk

The Company has foreign exchange exposures which include amounts receivable from other Macquarie Group undertakings which are denominated in non-functional currencies. Any material non-functional currency exposures are managed by applying a group wide process of minimising exposure at an individual Company level.

### Non-Financial Risk Management

#### Operational risk

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

#### Group risk

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

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# Macquarie Holdings (UK) No.1 Limited

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## Strategic Report

for the financial year ended 31 March 2022 (continued)

### Non-Financial Risk management (continued)

#### Conduct risk

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

#### Strategic / Business risk

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

#### Environmental & social risk

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

#### Financial crime risk

Risk of knowingly or unknowingly perpetuating or helping parties to commit or to further potentially illegal activity through the Company. Financial crime risk encompasses the risks of money laundering, terrorism financing, bribery and corruption, and sanctions. RMG Financial Crime Risk (FCR) manage and oversee financial crime risk, engage with regulators and maintain and monitor the effectiveness of global financial crime risk frameworks, programs and policies for Macquarie.

#### Technology & cyber risk

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

### Section 172(1) Statement

The Directors of the Company consider, both individually and collectively, that they have acted in the way that would most likely promote the success of the Company for the benefit of its members as a whole (having regard to relevant stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2022. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Directors considered these matters is set out in the Directors' report on pages 6 to 11.

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## Macquarie Holdings (UK) No.1 Limited

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### Strategic Report

for the financial year ended 31 March 2022 (continued)

#### Other matters

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

On behalf of the Board,



Phillip Nash  
Director

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# Macquarie Holdings (UK) No.1 Limited

Company Number 06309919

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## Directors' Report for the financial year ended 31 March 2022

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

### Directors and Secretaries

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

B Donnelly

P Nash

P Plewman

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

H Everitt

### Results

The profit for the financial year ended 31 March 2022 was £25,930,632 (2021: £nil).

### Dividends paid or provided for

Interim dividends of £284,999,720 (2021: £nil) were paid during the current financial year. No other dividend has been proposed.

### State of affairs

During the current financial year, the Company's subsidiary's name was changed from Macquarie Bank International Limited to Macquarie Ropemaker Limited (MRL).

The principal activity of the Company's subsidiary MRL of acting as a licensed banking entity has ceased during the current financial year. MRL and its branch in Germany do not hold any external client positions or engage in any significant business activity.

During the current financial year, the Company's subsidiary, MRL, underwent a capital reduction and distributed £279,999,720 to the Company as MRL's sole shareholder. Following receipt of the distribution from MRL, the Directors approved to reduce the Company's issued share capital to £50,000,280 by reducing the nominal value of each of the Company's 330,000,000 ordinary fully paid-up shares from £1 to £0.151516 and paid a distribution of £279,999,720 to the Company's immediate parent, Macquarie Bank Limited, London Branch ("MBL LB").

Subsequently, MRL further reduced its issued share capital to £330 and paid a distribution of £75,900,000 to the Company, out of which £49,999,950 was accounted for as a return of investment and the remaining £25,900,050 was recognised as dividend income.

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

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

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

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# Macquarie Holdings (UK) No.1 Limited

Company Number 06309919

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## Directors' Report

for the financial year ended 31 March 2022 (continued)

### State of affairs (continued)

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

During 2018, MGL initiated a group-wide project, sponsored by its Chief Financial Officer ("CFO"), to manage the impacts of IBOR reform, including overseeing the transition from LIBOR to ARR. A group-wide steering committee was established with its key responsibility being the governance of the project and comprised of senior executives from MGL's Operating Groups, Financial Management Group ("FMG"), RMG, Corporate Operations Group ("COG") and Legal and Governance. The project was wide in scope including identification of the impact of the reform on the separate legal entities within the MGL Group (including the Company) and implementing necessary changes in those legal entities. In addition to the project's progress outlined in the Company's annual financial statements for prior periods, the project achieved several important milestones for the period ended 31 March 2022 including that the Company transitioned its internal USD LIBOR and EURIBOR funding to Secured overnight financing ("SOFR") and Euro Short-Term Rate ("ESTR") respectively.

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

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

### Going Concern

The principal activity of the Company's subsidiary MRL of acting as a licensed banking entity has ceased during the current financial year. MRL and its branch in Germany do not hold any external client positions or engage in any significant business activity. Consequently, the Company and its subsidiary, MRL, made an assessment of whether the going concern assumption is still appropriate. The assessment included consideration of all the available information including material uncertainties that may cast a doubt upon the Company and MRL's ability to continue as a going concern.

The Company has excess of current assets over current liabilities at 31 March 2022 of £70,930,582.

The Directors have a reasonable expectation that the Company and its subsidiary, MRL, have adequate resources to continue in operational existence for the foreseeable future i.e. at least for a period of twelve months and accordingly, the Company continues to adopt the going concern basis in preparing its financial statements. No other material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

### Events after the reporting date

On 16 September 2022, the Directors approved a £49,999,950 capital reduction through a pro-rata reduction of the nominal value of the Company's 330,000,000 ordinary fully paid-up shares from £0.151516 to £0.000001. Following the capital reduction, the Directors approved a distribution of £70,700,000 to the Company's immediate parent, MBL LB.

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



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# Macquarie Holdings (UK) No.1 Limited

Company Number 06309919

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## Directors' Report

for the financial year ended 31 March 2022 (continued)

### Likely developments, business strategies and prospects

#### Russia-Ukraine conflict

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

The Russia-Ukraine conflict did not have a material impact on the operations of the Company during the financial period.

#### Coronavirus (COVID-19)

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

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

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

The principal activities, review of operations and the financial risk management objectives and policies of the Company and the exposure of the Company to credit risk, liquidity risk, interest rate risk, foreign exchange risk, operational risk, Group risk, conduct risk, strategic/business risk, environmental & social risk, financial crime risk and technology & cyber risk are contained within the Strategic Report.

### Indemnification and insurance of Directors

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

### Statement of Directors' responsibilities in respect of the financial statements

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

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.

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# Macquarie Holdings (UK) No.1 Limited

Company Number 06309919

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## Directors' Report

for the financial year ended 31 March 2022 (continued)

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

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

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

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Section 172(1) Statement

The following sets out the requirements of section 172 (1) and notes how the Directors have discharged their duties. In doing so they have had regard to matters including those in respect of the Company's stakeholders, who are principally group shareholders, internal and external customers.

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

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

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

To facilitate good decision making, Directors meet as required with documentation circulated in advance. Where relevant this may include diligence on financial impacts, as well as non-financial factors to allow them to fully understand the performance and position of the Company, along with the matters that are to be discussed.

The majority of decisions made by the Board during the years were deemed to be routine in nature and were taken on a cyclical basis. Key decisions which the Board met to consider during the year included approval of capital reduction and distribution to the Company's Shareholder and approval of annual accounts and financial statement.

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# Macquarie Holdings (UK) No.1 Limited

Company Number 06309919

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## Directors' Report

for the financial year ended 31 March 2022 (continued)

### Section 172 (1) Statement (continued)

During the current financial year, the Board continued to enable virtual attendance at board meetings, workshops and meetings with management, as needed to respond to ongoing COVID-19 restrictions.

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

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

#### (c) Business relationships with suppliers, customers and others:

The Board is cognisant of the stakeholders of the Company and the importance of strong relationships, coupled with appropriate levels of communication and engagement.

**Suppliers:** Macquarie Group is committed to ensuring high standards of environmental, social and governance performance across its supply chain. This commitment is driven by our business principles. Macquarie Group has put in place a supplier governance policy to manage the risks associated with suppliers who provide the Macquarie Group with high inherent risk goods or services, and also principles for suppliers to help uphold our core values with the aim of having supplier relationships that create long-term and sustainable value for our clients, shareholders and community.

**Customers:** The Company was not required to make material commercial decisions relating to external customers during the year.

#### (d) Community and the environment:

The Board and Management recognise the importance of sound Environmental, Social and Governance (ESG) practices as part of their responsibility to their clients, shareholders, communities, staff and the environment in which the Company operates.

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

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

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

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

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## Macquarie Holdings (UK) No.1 Limited

Company Number 06309919

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

#### Section 172 (1) Statement (continued)

##### (d) Community and the environment (continued):

The Board acknowledges the work of the Macquarie Group Foundation (the "Foundation"), which is the philanthropic arm of Macquarie. The Foundation encourages Macquarie's employees to give back to the communities in which they live and work by contributing service, financial support and leadership to the community organisations they feel passionately about.

##### (e) Reputation for high standards:

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

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

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

#### Directors' confirmations

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

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

#### Independent auditors

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

On behalf of the Board,



Phillip Nash  
Director  
16 December 2022

# Macquarie Holdings (UK) No.1 Limited

## Financial Statements

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

	Note	2022 £	2021 £
Turnover	4	25,900,050	-
Administrative expenses	4	(162)	-
Other operating expenses	4	(20,206)	-
<b>Operating profit</b>		<b>25,879,682</b>	-
Interest receivable and similar income	4	63,731	-
Interest payable and similar expenses	4	(700)	-
<b>Profit before taxation</b>	4	<b>25,942,713</b>	-
Tax on profit	5	(12,082)	-
<b>Profit for the financial year</b>		<b>25,930,631</b>	-

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 Holdings (UK) No.1 Limited

Company Number 06309919

## Balance sheet as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	6	330	330,000,000
<b>Current assets</b>			
Debtors	7	70,942,663	-
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(12,082)	-
<b>Net current assets</b>		70,930,581	-
<b>Total assets less current liabilities</b>		70,930,911	330,000,000
<b>Net assets</b>		70,930,911	330,000,000
<b>Capital</b>			
Called up share capital	9	50,000,280	330,000,000
Profit and loss account	10	20,930,631	-
<b>Total capital</b>		70,930,911	330,000,000

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 12 to 23 were authorised for issue by the Board of Directors on 16th December 2022 and were signed on its behalf by:



Director  
Phillip Nash

# Macquarie Holdings (UK) No.1 Limited

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

	Note	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 April 2020		330,000,000	-	330,000,000
Profit for the financial year		-	-	-
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	-	-
<b>Balance at 31 March 2021</b>	<b>9</b>	<b>330,000,000</b>	<b>-</b>	<b>330,000,000</b>
Profit for the financial year	10	-	25,930,631	25,930,631
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	25,930,631	25,930,631
Transactions with equity holders in their capacity as ordinary equity holders:				
Return of share capital	9	(279,999,720)	279,999,720	-
Dividends paid	10	-	(284,999,720)	(284,999,720)
<b>Balance at 31 March 2022</b>		<b>50,000,280</b>	<b>20,930,631</b>	<b>70,930,911</b>

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.

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# Macquarie Holdings (UK) No.1 Limited

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## Notes to the financial statements for the financial year ended 31 March 2022

### Note 1. Company information

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom 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 current financial year was to act as a holding company for MRL.

### Note 2. Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101") and have been prepared in accordance with the provisions of the Companies Act 2006.

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as a parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its ultimate parent MGL, a company incorporated in Australia. These financial statements are separate financial statements.

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

#### (i) Going concern

The principal activity of the Company's subsidiary MRL of acting as a licensed banking entity has ceased during the current financial year. MRL and its branch in Germany do not hold any external client positions or engage in any significant business activity. Consequently, the Company and its subsidiary, MRL, made an assessment of whether the going concern assumption is still appropriate. The assessment included consideration of all the available information including material uncertainties that may cast a doubt upon the Company and MRL's ability to continue as a going concern.

The Company has excess of current assets over current liabilities at 31 March 2022 of £70,930,581.

The Directors have a reasonable expectation that the Company and its subsidiary, MRL, have adequate resources to continue in operational existence for the foreseeable future i.e. at least for a period of twelve months and accordingly, the Company therefore continues to adopt the going concern basis in preparing its financial statements. No other material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

#### (ii) Basis of measurements

The financial statements have been prepared in accordance with the Companies Act 2006 and under the historical cost convention.

#### (iii) Disclosure exemptions

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



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# Macquarie Holdings (UK) No.1 Limited

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

### Note 2. Basis of preparation (continued)

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 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding).
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D and 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures).
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- The requirements of 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 conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company and the financial statements such as:

- judgements or the identification of indicators of impairment on investment in subsidiary (Notes 3(v) and Note 6)

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

The Company's processes to determine the impact of COVID-19 for these financial statements is consistent with the processes disclosed and applied in its 31 March 2021 financial statements. Those processes identified that expected credit losses 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.

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

The amendments to existing accounting standards that are effective for the annual reporting period beginning on 1 April 2021 did not result in a material impact to the Company's financial statements.

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# Macquarie Holdings (UK) No.1 Limited

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

### Note 3. Significant accounting policies

#### (i) Foreign currency translation

##### *Functional and presentation currency*

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

##### *Transactions and balances*

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

At the end of each reporting period:

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

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

#### (ii) Revenue and expense recognition

##### *Net interest income/expense*

Interest income and expense are recognised using the effective interest rate ("EIR") method for financial assets and financial liabilities carried at amortised cost. The EIR method calculates the amortised cost of a financial instrument at a rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation of the EIR does not include ECL. Fees and transaction costs that are integral to the lending arrangement are recognised in the profit and loss account over the expected life (or, when appropriate, a shorter period) of the instrument in accordance with the EIR method.

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

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

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

##### *Other operating expenses*

Other operating expenses comprises of other losses related to foreign exchange differences, and credit impairment charges which are recognised in the profit and loss account.

##### *Turnover*

The turnover comprises of dividend income received from the Company's subsidiary (Note 4).

##### *Dividends*

Interim dividends from UK companies are recognised when the dividend proceeds are received by the Company. Dividends or distributions are recognised when the right to receive a dividend or distribution is established, it is probable the economic benefits associated with the dividend will flow to the Company and the dividend can be measured reliably.

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

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# Macquarie Holdings (UK) No.1 Limited

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

### Note 3. Significant accounting policies (continued)

#### *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.

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.

Factors considered include the ability to offset tax losses within the tax consolidated group or groups of entities in overseas jurisdictions, the nature of the tax loss, the length of time that tax losses are eligible for carry forward to offset against future taxable profits and whether future taxable profits are expected to be sufficient to allow recovery of deferred tax assets.

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

#### (iv) Financial instruments

##### *Recognition of financial instruments*

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

A financial instrument is initially recognised at fair value and is adjusted for (in the case of instruments not classified at FVTPL) 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 and 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 data from observable markets.

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

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

##### *De-recognition of financial instruments*

#### **Financial assets**

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

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

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# Macquarie Holdings (UK) No.1 Limited

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

### Note 3. Significant accounting policies (continued)

#### Financial assets (continued)

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

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

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

#### Financial liabilities

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

#### (v) Investments

##### *Investment in subsidiary*

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.

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.

The subsidiary held by the Company is carried in its financial statements at cost less impairment in accordance with IAS 27 Separate Financial Statements.

The investment in subsidiary is assessed for impairment at each reporting date, refer to Note 3(vii) Impairment.

#### (vi) 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.

#### (vii) 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.

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# Macquarie Holdings (UK) No.1 Limited

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

### Note 3. Significant accounting policies (continued)

#### (vii) Impairment (continued) Expected credit losses ("ECL") (continued)

The ECL is determined with reference to the following stages:

##### (i) Stage 1 – 12 month ECL

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

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

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

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

##### (iii) Stage 3 – Lifetime ECL credit-impaired

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

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

#### Presentation of loss allowances

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

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

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

#### Impairment of investments in subsidiary

Investment in subsidiary 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, investment in subsidiary 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.

#### (viii) Called up share capital

Ordinary shares are classified as equity.

#### (ix) Rounding of amounts

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

# Macquarie Holdings (UK) No.1 Limited

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

### Note 4. Profit before taxation

	2022	2021
	£	£
Turnover		
Dividend income	25,900,050	-
<b>Total turnover</b>	<b>25,900,050</b>	<b>-</b>

#### Administrative expenses:

Resource charge from Macquarie Group undertakings	(157)	-
Other administrative expenses	(5)	-
<b>Total administrative expenses</b>	<b>(162)</b>	<b>-</b>

The cost of auditors' remuneration for auditing services of £13,571 (2021: £12,656) has been borne by MRL, a wholly owned subsidiary within the Macquarie Group. The auditors received no other benefits.

#### Other operating expenses:

Credit impairment charges	(20,150)	-
Foreign exchange losses	(56)	-
<b>Total other operating expenses</b>	<b>(20,206)</b>	<b>-</b>

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

#### Interest

Interest receivable from other Macquarie Group undertakings <sup>1</sup>	63,731	-
<b>Total interest receivable and similar income</b>	<b>63,731</b>	<b>-</b>

Interest payable to other Macquarie Group undertakings <sup>2</sup>	(700)	-
<b>Total interest payable and similar expenses</b>	<b>(700)</b>	<b>-</b>

<sup>1</sup>Includes interest income calculated using effective interest method of £63,731 (2021: £nil) on the financial assets of the Company measured at amortised cost.

<sup>2</sup>Includes interest expense of £700 (2021: £nil) on the financial liabilities measured at amortised cost.

### Note 5. Tax on profit

	2022	2021
	£	£
<b>(i) Tax expense included in profit</b>		
<b>Current tax</b>		
UK corporation tax at 19.00% (2021: 19.00%)	(12,081)	-
<b>Tax on profit</b>	<b>(12,081)</b>	<b>-</b>

#### (ii) Reconciliation of standard tax rate

The income tax expense for the period is the same as the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
<b>Profit before taxation</b>	<b>25,942,713</b>	<b>-</b>
Current tax charge at 19% (2021: 19%)	(4,929,116)	-
Effects of:		
Non-deductible expenses	4,917,034	-
<b>Total tax on profit</b>	<b>(12,082)</b>	<b>-</b>

The UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

# Macquarie Holdings (UK) No.1 Limited

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

### Note 6. Investment in subsidiary

	2022 £	2021 £
Carrying amount at the beginning of the financial year	330,000,000	330,000,000
Return of capital <sup>1</sup>	(329,999,670)	-
<b>Carrying amount at the end of the financial year</b>	<b>330</b>	<b>330,000,000</b>

<sup>1</sup>During the current financial year, MRL underwent a capital reduction and distributed £279,999,720 to the Company. Subsequently, MRL further reduced its issued share capital to £330 and paid a distribution of £75,900,000 to the Company, out of which £49,999,950 was accounted for as a return of investment and the remaining £25,900,050 was recognised as dividend income.

Name of investments	Nature of business	Registered office	% ownership	2022 £	2021 £
Macquarie Ropemaker Limited ("MRL")	Licensed UK Bank. <sup>1</sup>	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	330	330,000,000
				<b>330</b>	<b>330,000,000</b>

<sup>1</sup>The principal activity of MRL of acting as a licensed banking entity has been ceased during the current financial year. MRL and its branch in Germany do not hold any external client positions or engage in any significant business activity.

### Note 7. Debtors

	2022 £	2021 £
Amounts owed by other Macquarie Group undertakings <sup>1</sup>	70,942,663	-
<b>Total debtors</b>	<b>70,942,663</b>	<b>-</b>

<sup>1</sup>Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment.

### Note 8. Creditors: amounts falling due within one year

	2022 £	2021 £
Taxation	(12,082)	-
<b>Total creditors: amounts falling due within one year</b>	<b>(12,082)</b>	<b>-</b>

### Note 9. Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
Opening balance of fully paid ordinary shares of £1 per share	330,000,000	330,000,000	330,000,000	330,000,000
Share capital reduction during the year <sup>1</sup>	-	-	(279,999,720)	-
<b>Closing balance of fully paid ordinary shares</b>	<b>330,000,000</b>	<b>330,000,000</b>	<b>50,000,280</b>	<b>330,000,000</b>

<sup>1</sup>During the current financial year, the Company reduced its issued share capital to £50,000,280 by reducing the nominal value of each of the Company's 330,000,000 ordinary fully paid-up shares from £1 to £0.151516 and paid a distribution of £279,999,720 to the Company's immediate parent, MBL LB.

### Note 10. Profit and loss account

	2022 £	2021 £
Balance at the beginning of the financial year	-	-
Profit for the financial year	25,930,631	-
Reduction of share capital	279,999,720	-
Dividends paid on ordinary share capital	(284,999,720)	-
<b>Balance at the end of the financial year</b>	<b>20,930,631</b>	<b>-</b>

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# Macquarie Holdings (UK) No.1 Limited

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

### Note 11. 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.

### Note 12. 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 15.

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.

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

### Note 13. Directors' remuneration

During the financial years ended 31 March 2022 and 31 March 2021, all Directors, were employed by and received all emoluments from other Macquarie Group undertakings. The Directors perform Directors' duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation accurately across all these duties would not be meaningful.

### Note 14. Contingent liabilities and commitments

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

### Note 15. Ultimate parent undertaking

At 31 March 2022, the immediate parent undertaking of the Company is Macquarie Bank Limited, London Branch.

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

### Note 16. Events after the reporting date

On 16 September 2022, the Directors approved a £49,999,950 capital reduction through a pro-rata reduction of the nominal value of the Company's 330,000,000 ordinary fully paid-up shares from £0.151516 to £0.000001. Following the capital reduction, the Directors approved a distribution of £70,700,000 to the Company's immediate parent, MBL LB.

There were no other material events subsequent to 31 March 2022 and up until the authorisation of the financial statements for issue, that have not been reflected in the financial statements.



# Independent auditors' report to the members of Macquarie Holdings (UK) No.1 Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Macquarie Holdings (UK) No.1 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, 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 2022; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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

## **Reporting on other information**

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

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

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

### **Strategic report and Directors' report**

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

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

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

- Inquiries of management and those charged with governance, including review of meeting minutes in so far as they relate to the financial statements, and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Incorporating an element of unpredictability into the nature, timing and/or extent of our testing;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Applying risk-based criteria to all journal entries posted in the audit period, including consideration of backdated entries, post-close entries and those journals posted by a defined group of unexpected users.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

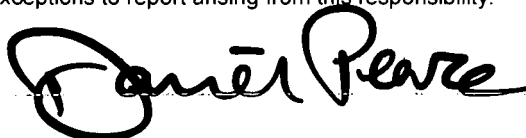
## **Other required reporting**

### **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

16 December 2022