

Macquarie Infrastructure and Real Assets Investments Limited

COMPANY NUMBER 8248121

Strategic Report, Directors' Report and Financial Statements
for the financial year ended 31 March 2020



The Company's registered office is:

Ropemaker Place
28 Ropemaker Street
London EC2Y 9HD
United Kingdom



Macquarie Infrastructure and Real Assets Investments Limited

2020 Strategic Report, Directors' Report and Financial Statements Contents

	Page
Strategic Report	3
Directors' Report	6
Independent Auditors' Report	12
Financial Statements	
Profit and loss account	14
Balance sheet	15
Statement of changes in equity	16
Notes to the financial statements	
Note 1. Company information	17
Note 2. Summary of significant accounting policies	17
Note 3. (Loss)/profit on ordinary activities before taxation	27
Note 4. Interest receivable and similar income	27
Note 5. Interest payable and similar charges	27
Note 6. Taxation	28
Note 7. Investments	29
Note 8. Interests in associates	29
Note 9. Financial investments	31
Note 10. Investments in subsidiaries	32
Note 11. Debtors	33
Note 12. Creditors: amounts falling due within one year	33
Note 13. Creditors: amounts falling due after more than one year	33
Note 14. Called up share capital	34
Note 15. Other reserves and profit and loss account	34
Note 16. Related party information	34
Note 17. Directors' remuneration	35
Note 18. Contingent liabilities and commitments	35
Note 19. Ultimate parent undertaking	35
Note 20. Events after the reporting date	36

Strategic Report for the financial year ended 31 March 2020

In accordance with a resolution of the directors (the "Directors") of Macquarie Infrastructure and Real Assets 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 2020 was to act as a holding company.

Review of operations

The loss for the financial year ended 31 March 2020 was £38,629,685, as compared to the profit of £37,799,952 in the previous financial year.

Net operating loss for the financial year ended 31 March 2020 was £40,240,679, as compared to the net operating profit of £20,639,140 in the previous financial year.

Total operating expenses for the financial year ended 31 March 2020 were £280,897, an increase from £69,040 in the previous financial year.

As at 31 March 2020, the Company had net assets of £61,286,569 (2019: £99,916,254).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Macquarie Group and are not managed separately. Accordingly, the principal risks and uncertainties of Macquarie Group Limited ("MGL"), which include those of the Company, are discussed in its financial statements and can be obtained from the address given in Note 19.

On 29 March 2017, the United Kingdom invoked Article 50 of the Lisbon Treaty and officially notified the EU of its decision to withdraw from the EU (known as "Brexit"). The UK government and the EU Commission subsequently agreed an Article 50 Withdrawal Agreement, pursuant to which a transition period commenced which lasted until 31 December 2020. On 24 December 2020, the United Kingdom and the EU reached agreement on a number of areas relating to their future relationship. This agreement generally did not address financial services, and the nature of the future financial services regime between the UK and EU remains subject to ongoing engagement between the parties. The Company continues to assess the possible impacts of Brexit and its strategic options to mitigate those impacts.

The Company is not subject to any other material risks or uncertainties, over and above those stated, although the Directors' note that the emerging situation with respect to COVID-19 has potential, but not material business risks.

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 effect of credit risk, liquidity risk and exposure to the performance of its subsidiaries. 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 Risk Management Group ("RMG") to ensure appropriate assessment and management of these risks.

Strategic Report (continued) for the financial year ended 31 March 2020

Financial risk management (continued)

As ultimately 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 is 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 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 cash balances and receivables from other Macquarie Group undertakings and external parties, all of which earn a variable rate of interest. Interest bearing liabilities include payables to other Macquarie Group undertakings, which also incur a variable rate of interest.

Foreign exchange risk

The Company has foreign exchange exposures which include amounts receivable from and payable to 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.

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.

Strategic Report (continued) for the financial year ended 31 March 2020

Financial risk management (continued)

Section 172 (1) Statement

Section 172(1) of the Companies Act 2006 requires Directors to act in the way they consider would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- (a) the likely long-term consequences of decisions;
- (b) the impact of the Company's operations on the community and the environment;
- (c) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (d) the need to act fairly as between the Company's owners.

Consideration of these factors and other relevant matters is embedded into all Board decision-making, strategy development and risk assessment throughout the year.

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 Director's report.

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

Anita Huynh

Directors name



Signature and date

29 March 2021

Macquarie Infrastructure and Real Assets Investments Limited

Company Number 8248121

Directors' Report

for the financial year ended 31 March 2020

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:

M Braithwaite	(resigned on 30 August 2019)
H Coleman	(appointed on 30 August 2019)
J Dyckhoff	
L Harrison	(resigned on 30 August 2019)
P Hogan	(resigned on 30 August 2019)
A Huynh	(appointed on 30 August 2019)

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:

D Shoemark

Results

The loss for the financial year ended 31 March 2020 was £38,629,685 (2019 profit: £37,799,952).

Dividends paid or provided for

No interim dividends were paid or provided for during the financial year (2019: £nil). No final dividend has been proposed.

State of affairs

On 13 June 2019, the Company subscribed for a commitment of EUR 21,789,134 in Macquarie European Infrastructure Fund ("MEIF") 6 SCSp.

On 11 July 2019, the Company's Board of Directors approved to enter into a subscription agreement of EUR 1,416,000 with MEIF 6 Sophisticated Staff Investors Feeder SCSp ("SIF") and that such amount would in time be transferred to new or existing limited partners in the SIF. In accordance with the commitments made to the SIF the Company provided capital of EUR 344,750.

On 7 August 2019, the Company's Board of Directors approved the subscription for 700,000 new class B share in the capital of MEIF 6 Luxembourg B Holdings Sarl with a nominal value of one Euro cent and approved the payment of EUR 7,000 in consideration for the subscription of the B shares.

On 1 October 2019 the Company's subsidiary Harry Holdings Sarl completed the sale of the Vector Parks real estate assets. On 30th January 2020, pursuant to shareholder approval, Harry Holdings Sarl was placed into liquidation. An advance on the liquidation boni in an amount of EUR 4,365,547.64 was paid to the Company on 20th February 2020.

On 15 October 2019, the Company's Board of Directors approved the voluntary strike-off of Macquarie Infrastructure and Real Assets Investments 3 Limited.

On 16 October 2019, the Company reclassified its investment in Macquarie Korea Opportunities Fund 4 from investment in associate to a financial investment measured at fair value through the profit and loss. The investment had a carrying value of KRW 4,400,550,000 and was transferred at fair value of KRW 4,774,847,839. As such, the difference in carrying value was recorded as a gain of KRW 374,297,838.

Macquarie Infrastructure and Real Assets Investments Limited

Company Number 8248121

Directors' Report (continued) for the financial year ended 31 March 2020

State of affairs (continued)

On 22 October 2019, the Company's Board of Directors approved admission as the founding partner and an investment the lessor of 10% of total commitments and KRW 50 billion for the establishment of Macquarie Korea Opportunities Fund 5.

On 22 October 2019, the Board of Directors also approved the incorporation of Macquarie Infrastructure Partners V GP, LLC ("MIP V GP") as a wholly owned subsidiary of the Company for USD \$100.

On 17 December 2019, the Board of Directors approved that the Company make an initial commitment of EUR 50 million to Macquarie GIG Renewable Energy Fund 2 SCSp.

On 31 December 2019, the equity value of the MPF Holdings Limited was written down to £ nil. This prudent approach was adopted after a valuation suggested that the implied enterprise value range for the business was lower than the debt quantum. An impairment provision of £11,302,086 was recorded on the loan note with a principal amount of £76,821,289 issued by Calon Energy (Investments) Limited, a subsidiary of MPF Holdings Limited.

On 20 March 2020, the Company subscribed for 100,000 class B shares in Macquarie GIG Renewable Energy Fund 2 Luxembourg B Holdings Sarl for EUR 1,200,000.

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

Events after the reporting date

The Company made additional investments in the following after the reporting date:

- Macquarie Korea Opportunities Fund 5 of £7,280,936;
- Macquarie European Infrastructure Fund 5 LP of £2,243,181;
- Macquarie European Infrastructure Fund 6 LSCSp of £2,985,826;
- Macquarie GIG Renewable Energy Fund 2 SCSp of £7,723,327; and
- Stable Income European Real Estate Fund S.C.C. SICAV-RAIF of £1,860,843.

On 25 August 2020, ownership of the Company was transferred to Macquarie International Limited.

On 16 September 2020, the Company subscribed for an additional EUR 50 million in Macquarie GIG Renewable Energy Fund 2 SCSp.

On 22 October 2020, the Company became founder partner of Macquarie GIG Renewable Energy Fund 2 Sophisticated Staff Investors Feeder SCSp.

On 20 November 2020, the Company established a build-to-rent ("BTR") development and management business, BTR Management Limited.

On 15 December 2020, the Company's Board of Directors approved a recapitalisation of Macquarie Infrastructure Partners V GP, LLC ("MIP V") and an increase in MIRAIL's interest in MIP V.

On 16 February 2021, the Company's Board of Directors approved the transfer of part of its interest in the Macquarie GIG Renewable Energy Fund 2 SCSp, a commitment of EUR 3,040,000, to MGRF2 Sophisticated Staff Investors Feeder SCSp.

On 8 March 2021, the Company's Board of Directors approved the appointment of the Company as Founder Partner of MSCIF A1 SCSp.

Directors' Report (continued)
for the financial year ended 31 March 2020**Events after the reporting date (continued)**

On 18 March 2021, the Company's Board of Directors approved the establishment of Macquarie European Logistics Real Estate Fund SCSp for which the Company shall act as the founder partner.

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 2020 not otherwise disclosed in this report.

Likely developments, business strategies and prospects**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.

During 2018, Macquarie Infrastructure and Real Assets Investments Limited'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 ARR. 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.

Coronavirus (COVID-19)

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on global economies and equity, debt and commodity markets.

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

The financial risk management objectives and policies of the Company and the exposure of the Company to credit risk, liquidity risk, interest rate risk, operational risk, market risk and foreign exchange risk and developments over Brexit 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

Directors' Report (continued)
for the financial year ended 31 March 2020

Statement of Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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; 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 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 Directors acknowledge their responsibility under section 172 (1) of the Companies Act 2006 and have acted in a way that they considered, in good faith, to be most likely to promote the long-term success of the Company whilst having regard to all relevant matters including those in respect of the Company's stakeholders, who are principally group shareholders

The Directors meet periodically (with documentation circulated in advance) to allow them to fully understand the performance and position of the Company. Each decision that is made by the Directors is supported by documentation, discussion and debate at the meetings. This supports informed and robust decision making, including considerations based on the likely impact of a decision, taking into account relevant stakeholders. The following sets out the requirements of section 172 (1), and notes how the Directors have discharged their duties:

Directors' Report (continued)
for the financial year ended 31 March 2020

Section 172 Disclosure (continued)

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

The Company's ultimate parent is MGL. The Company operates to the standards set by MGL and the Macquarie Group. Any decision taken will be aligned to the strategy of the Company and the wider Macquarie Group and be made in accordance with Macquarie's Code of Conduct (the "Code"). The Code is based on the three principles that guide the way Macquarie does business – Opportunity, Accountability and Integrity. A guide to good decision making is contained within the Code, which emphasises key questions to ask, including the need to think long term and consider whether a decision will stand the test of time. Potential consequences of decisions made by the Board will vary depending on the matter at hand, but the Board typically considers relevant stakeholders, alignment with the long-term value creation strategy of the Company and the culture of the existing business. Before a proposal is brought to the Board for approval, it will have gone through a series of internal approvals, in accordance with Macquarie's risk management framework, which is embedded across all Macquarie's operations. Macquarie'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.

Supporting each approval request, the Directors are given documentation which includes diligence on financial impacts, as well as non-financial factors and, as part of their deliberations, the Directors consider how the decision aligns with the strategy of the Company.

(b) Community and the environment

The Board recognises the importance of sound Environmental, Social and Governance ("ESG") practices as part of their responsibility to our clients, shareholders, communities, people and the environment in which Macquarie operates. Macquarie's ESG approach is structured around focus areas considered to be material to our business.

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. We regularly engage with a broad range of stakeholders including clients, shareholders, investors, analysts, governments, regulators, staff, suppliers and the wider community.

Macquarie 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. Assessing and managing Macquarie wide ESG risks is a key business priority and an important component of our broader risk management framework, to which the Company is subject to and included as part of risk reviews during internal approval process.

Under the Code, all staff share responsibility for identifying and managing environmental and social issues as part of normal business practice and are supported by the ESR team.

The ESR team, which sits within the Risk Management Group, coordinates a diverse range of ESG activities across business groups and regions, including developing and implementing Macquarie wide and business specific policies, conducting transaction reviews, providing advice on ESG risks and opportunities and facilitating training.

Directors' Report (continued)
for the financial year ended 31 March 2020

Section 172 Disclosure (continued)

(c) Reputation for high standards

The Company and its Directors' reputation is 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.

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

The Company is a 100% indirect subsidiary of MGL. Information is shared effectively to ensure that both the direct parent and ultimate shareholder are engaged as appropriate with respect to key decisions of the Company. With respect to capital allocation decision-making for example, the Directors seek to allocate the Company's capital in a way that offers returns to shareholders in line the Company's approach to dividends while ensuring the Company retains flexibility to continue to deploy capital towards profitable growth. The Directors have engaged with the Company's shareholder (both direct and ultimate) where required as per legal and regulatory requirements, on principal decisions taken by the Company during the financial year, and took into consideration the interest of relevant stakeholders in the major developments, activities or transactions which are discussed in the principal activities in the strategic report as well as the dividends section of this report.

The Company is exposed to foreign exchange risk arising mainly from balances with related parties with respect to the Australian Dollars ("AUD") which is not significant.

Disclosure of information to auditors

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

Anita Huynh

Directors name



Signature and date

29 March 2021

Independent auditors' report to the members of Macquarie Infrastructure and Real Assets Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion, Macquarie Infrastructure and Real Assets Investments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss 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 2020; the profit and loss account, 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2020 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 set out on page 9, 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.

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 received 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.



Martin Cross (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 March 2021

Macquarie Infrastructure and Real Assets Investments Limited

Financial Statements

Profit and loss account for the financial year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	2(v), 3	9,068,263	3,549,766
Administrative expenses	3	(280,897)	(69,040)
Other operating (expense)/income	3	(49,028,045)	17,158,414
Operating (loss)/profit		(40,240,679)	20,639,140
Interest receivable and similar income	4	3,546,381	5,779,584
Interest payable and similar charges	5	(4,262,673)	(4,546,941)
(Loss)/profit before taxation		(40,956,971)	21,871,783
Tax on (loss)/profit	6	2,327,286	15,928,169
(Loss)/profit for the financial year		(38,629,685)	37,799,952

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 loss on ordinary activities 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 Infrastructure and Real Assets Investments Limited

Balance sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	7	175,414,799	200,026,918
Current assets			
Debtors	11	48,468,351	16,947,765
Current liabilities			
Deferred tax liabilities	6	(73,323)	(72,932)
Creditors: amounts falling due within one year	12	(162,523,258)	(51,938,077)
Net current liabilities		(114,128,230)	(35,063,244)
Creditors: amounts falling due after more than one year	13	-	(65,047,420)
Net assets		61,286,569	99,916,254
Called up share capital	14	103,396,782	103,396,782
Other reserves	15	-	-
Profit and loss account	15	(42,110,213)	(3,480,528)
Total shareholders' funds		61,286,569	99,916,254

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 14 to 36 were authorised to issue by the Board of Directors on 18 March 2021 and were signed on its behalf by:



Director

Anita Huynh 29 March 2021

Macquarie Infrastructure and Real Assets Investments Limited

Statement of changes in equity for the financial year ended 31 March 2020

	Called up share capital £	Other reserves £	Profit and loss account £	Total shareholders' funds £
Balance at 1 April 2018	103,396,782	-	(41,280,480)	62,116,302
Profit for the financial year	-	-	37,799,952	37,799,952
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	37,799,952	37,799,952
Balance at 31 March 2019	103,396,782	-	(3,480,528)	99,916,254
Balance at 1 April 2019	103,396,782	-	(3,480,528)	99,916,254
Loss for the financial year	-	-	(38,629,685)	(38,629,685)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive expense	-	-	(38,629,685)	(38,629,685)
Balance at 31 March 2020	103,396,782	-	(42,110,213)	61,286,569

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 Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020

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.

Note 2. Summary of significant accounting policies

i) Basis of preparation

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

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). 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 classified as fair value through other comprehensive income ("FVOCI") and financial instruments that have been designated as FVTPL ("DFVTPL")
- financial assets and liabilities that are otherwise measured on an amortised cost basis or on a cost basis but adjusted for changes in fair value attributable to the risk being hedged in qualifying fair value hedge relationships
- non-current assets and disposal groups that have been classified as held for sale and where the disposal group has been written down to its fair value less costs to sell

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.

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 EU-adopted International Financial Reporting Standards ("IFRS").

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

- The requirements of 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);
- The requirements of paragraphs 38 of International Accounting Standards ("IAS") 1 'Presentation of Financial Statements' to present comparative information in respect of Paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding);
- The requirements of 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; and
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.

Notes to the financial statements (continued) for the financial year ended 31 March 2020

i) Basis of preparation (continued)

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 determining the appropriate business model for a group of financial assets which includes determining the level at which the business model condition is applied and whether past or expected sales activity is consistent with a held to collect business model (Note 2(vii))
- Judgement in determining the appropriate business model for a group of financial assets and assessing whether the cash flows generated by a financial asset constitute solely payment of principal and interest ("SPPI") may require the application of judgement, particularly for certain subordinated or non-recourse positions, and in the determination of whether compensation for early termination of a contract is reasonable (Note 2 (vii);
- Judgement in the choice of inputs, estimates and assumptions used in the measurement of Expected Credit Loss ("ECL") including the choice of inputs, estimates and assumptions relating to information about past events, current conditions and including forecasts of economic conditions the determination of significant increase in credit risk ("SICR"), forecasts of economic conditions and the weightings assigned thereto (Note 2(xii))
- Judgement in timing and amount of impairment of interests in associates and joint ventures and investment in subsidiaries, including reversal of impairment (Note 2(ii), 2(xxii), 8 and 9)
- Estimates in recoverability of tax receivables, deferred tax assets and measurement of current and deferred tax liabilities can require significant judgement, particularly where the recoverability of such tax balances relies on the estimation of future taxable profits and management's determination of the likelihood that uncertain tax positions will be accepted by the relevant taxation authority (Note 2(vi), and 6)
- Estimates in fair value of assets and liabilities including determination of non- recurring fair values and accounting for day 1 profits or losses for financial instruments (Note 2(xi) and 7)

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 the financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from our assumptions and estimates could require an adjustment to the carrying amounts of the assets and liabilities reported.

Coronavirus (COVID-19) impact

Background

The onset of COVID-19 resulted in the application of further judgement within identified risk areas discussed further below. Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic, and the short duration between the declaration of the pandemic and the preparation of these financial statements, changes to the estimates and outcomes that have been applied in the measurement of the Company's assets and liabilities may arise in the future. 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.

Notes to the financial statements (continued) for the financial year ended 31 March 2020

i) Basis of preparation (continued)

Critical accounting estimates and significant judgements (continued)

Coronavirus (COVID-19) impact (continued)

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 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 statements of financial position sheet items and related disclosures that have been impacted by COVID-19 were as follows:

Interest in associates and joint ventures, investments in subsidiaries and interests in unconsolidated structured entities

The Company's investments in Subsidiaries have been acquired over time and cover the infrastructure sector in various 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.

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

The new accounting Standard IFRS 16 Leases, amendments to accounting Standards IAS 23 Borrowing costs and IAS 19 Employee benefits; and IFRS 23 Interpretation 23 Uncertainty over Income Tax Treatment that are effective for the year ended 31 March 2020 did not have a material impact on the Company's financial statements.

ii) Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

iii) Deficiency of net current assets

The Directors of the Company have prepared the financial statements on a going concern basis despite there being an excess of current liabilities over current assets at 31 March 2020 of £114,128,230.

Some bespoke loans matured in November and December 2020. As a result, the balances rolled into the standard MLA loans with long term maturity dates. As at the date of this report, the Company is in a profit making position with an immaterial amount of net current liabilities.

iv) 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 foreign operation operates (the functional currency). The Company's financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Notes to the financial statements (continued) for the financial year ended 31 March 2020

iv) Foreign currency translation (continued)

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the net trading income, except when deferred in OCI as a result of meeting cash flow hedge accounting requirements.

Translation differences on financial instruments measured at fair value through profit or loss, are reported as part of the fair value gain or loss in the profit and loss account.

v) Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

Turnover

Dividends and distributions

Interim dividends from UK companies are recognised when the dividend proceeds are received by the Company. Final dividends from investments in UK companies and dividends from investments in overseas companies are recognised when the Company becomes entitled to the dividend.

Dividends or distributions on financial assets are recognised as income when the Company becomes entitled to the dividend or distribution. Dividends and distributions from associates and joint ventures reduce the carrying amount of the investment in the Company's balance sheet. Dividends or distributions from subsidiaries, associates and joint ventures are recognised in the profit and loss account of the Company when the right to receive the dividend or distribution is established.

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 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 or, when appropriate, a shorter period, 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 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).

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 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.

Notes to the financial statements (continued) for the financial year ended 31 March 2020

v) Revenue and expense recognition (continued)

Other operating (expense)/income

Other operating income/expenses) comprises of net trading income, investment income, and other income.

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

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

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

Expenses

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

vi) 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 bases 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 bases 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.

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

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

Factors considered include the ability to offset tax losses 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.

Value-Added Tax (VAT)

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

Notes to the financial statements (continued) for the financial year ended 31 March 2020

vii) 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 adjusted for (in the case of instruments not carried at FVTPL) transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument. Transaction costs relating to financial instruments carried at FVTPL are expensed in the profit and loss account.

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/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.

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 derecognised from balance sheet when the Consolidated Entity's obligation has been discharged, cancelled or has expired.

Gains and losses arising from the derecognition of debt financial assets or financial liabilities that are subsequently measured at amortised cost are recognised in other income as part of other operating income and charges, while those arising from the derecognition of debt financial assets, that are subsequently measured at FVTPL or at FVOCI, or financial liabilities, that are subsequently measured at FVTPL, are recognised as investment income as part of other operating income and charges.

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:

- how the performance of the financial assets held within that business model is evaluated and reported to the the Macquarie Group's key management personnel;
- 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
- 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).

The Company exercises judgement to determine the appropriate level at which to assess its business models and its intention with respect to financial assets.

Notes to the financial statements (continued) for the financial year ended 31 March 2020

vii) Financial instruments (continued)

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 reflect 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 measured at amortised cost if both of the following conditions are met:

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

Fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be measured at amortised cost or FVOCI is subsequently measured at FVTPL.

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

- financial assets that are held for active trading (held for trading or 'HFT'). This classification includes all derivative financial assets
- financial assets that have been designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch (FVTPL)
- 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 or financial assets that fail the SPPI test (FVTPL).

Equity financial assets are measured at FVTPL.

Changes in the fair value of financial instruments held for the purpose of trading are recognised in net trading income. Changes in the fair value of financial assets that are DFVTPL and FVTPL are recognised as part of other operating income and expenses.

The interest component of financial assets that are measured at DFVTPL and FVTPL is recognised in interest income.

Reclassification of financial instruments

The Company reclassifies debt financial assets when and only when its business model for managing those assets changes. Financial assets that are reclassified are subsequently measured based on the financial instrument's new measurement category.

The Company does not reclassify financial liabilities after initial recognition.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost, unless they are either held for trading purposes, in which case they are classified as HFT, or have been designated to be measured at FVTPL (DFVTPL). A financial liability may be DFVTPL if:

- the liability contains embedded derivatives which must otherwise be separated and carried at fair value
- doing so eliminates or significantly reduces an accounting mismatch.

All derivative liabilities are classified as HFT.

Gains and losses arising from the derecognition of financial liabilities that are subsequently measured on an amortised cost basis are recognised in other income as part of other operating income and expenses. [Amend as applicable] The changes in fair value of financial liabilities that are classified as HFT are recognised as part of net trading income. Changes in the fair value of financial liabilities that are classified as DFVTPL are recognised in other income as part of other operating income and expenses, with the exception of changes in fair value relating to changes in the Company's own credit risk that is presented separately in OCI and is not subsequently reclassified to profit and loss. The interest component of financial liabilities that are classified as HFT or DFVTPL is recognised in interest expense.

Notes to the financial statements (continued) for the financial year ended 31 March 2020

viii) Derivative instruments

Derivative instruments entered into by the Company include futures, forwards and forward rate agreements, swaps and options in the interest rate, foreign exchange, commodity, credit and equity 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.

Fair values are obtained from quoted prices in active markets where available, and 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 2(vii) Financial instruments.

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

ix) 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). In order to account for the difference in the gains and losses between the exposure that is being hedged and the hedging instrument, the Company applies hedge accounting as below:

Fair value hedges

- 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.

x) Financial investments

Investment securities in this category include investments in equity securities which are not actively traded by the Company. Financial investments are initially recognised on trade date at fair value (adjusted for directly attributable transaction costs for debt investments subsequently measured at amortised cost or FVOCI) and subsequently measured in accordance with the Company's accounting policy for financial instruments Note 2 (vii).

Notes to the financial statements (continued) for the financial year ended 31 March 2020

xi) 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.

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 give it the current ability to direct the entity's relevant activities. Relevant activities are those activities that significantly affect the entity's returns. The Company evaluates whether it has the power to direct the relevant activities. 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 whether it has exposure or rights to variable returns that, in aggregate, are significant.

All variable returns are considered in making that assessment including, but not limited to, 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.

xii) 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. 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 macro-economic information (FLI). Where ECL is modelled collectively for portfolios of exposures, it is modelled as the product of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD).

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:

(i) Stage I – 12 month ECL

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

(ii) 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 life-time 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 more 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.

(iii) Stage III – Lifetime ECL credit-impaired

Financial assets are classified as stage III where they are determined to be credit impaired, which generally matches the APRA 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, ECL is measured as the product of the lifetime PD, LGD and EAD, adjusted for FLI.

Notes to the financial statements (continued) for the financial year ended 31 March 2020

xii) Impairment (continued)

Presentation of loss allowances

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

- Loan assets, loans to related body corporate entities and subsidiaries, associates and joint ventures measured at amortised cost – as a deduction to the gross carrying amount
- Loan assets, loan to associates and joint ventures, and debt financial investments measured at fair value through OCI – as a reduction in the OCI reserve account under equity. The carrying amount of the asset is not adjusted as it is recognised at fair value
- Lease receivables, contract receivables and other assets measured at amortised cost – as a deduction to the gross carrying amount
- Undrawn credit commitments – as a provision included in other liabilities.

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 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.

xiii) Called up share capital

Ordinary shares 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 proceeds.

Macquarie Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

	2020	2019
	£	£
Note 3. (Loss)/profit on ordinary activities before taxation		
(Loss)/profit on ordinary activities before taxation is stated after (charging)/crediting:		
Turnover by category:		
Dividend income	8,835,807	3,247,152
Other income	232,456	302,614
Total turnover	9,068,263	3,549,766
Auditors' remuneration ¹	(64,614)	(22,775)
Other administrative expenses	(22,897)	(5,800)
Service fees paid to other Macquarie Group undertakings	(87,261)	-
Resource charge from Macquarie Group undertakings	(106,125)	(40,465)
Total administrative expense	(280,897)	(69,040)
Net (loss)/gain on equity investments ²	(37,938,182)	68,102,197
Credit impairment charges ³	(11,302,311)	(50,816,710)
Foreign exchange loss	(97,540)	(127,073)
Net gain on sale of fixed asset investment	309,988	-
Other operating (expense)/income	(49,028,045)	17,158,414
Operating (loss)/profit	(40,240,679)	20,639,140

¹Fees payable to the Company's auditors for current year includes £30,493 relating to previous year.

²Fair value gain and losses from financial investments that have been classified as FVTPL.

³Current year charge includes a provision on loans to associates. Prior year charge includes expected credit losses relating to financial assets under IFRS 9.

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

Note 4. Interest receivable and similar income

Interest receivable on loans to associates	815,243	4,080,835
Interest receivable from other Macquarie Group undertakings	2,731,138	1,698,749
Total interest receivable and similar income	3,546,381	5,779,584

Note 5. Interest payable and similar charges

Interest payable to other Macquarie Group undertakings	4,262,673	4,546,941
Total interest payable and similar charges	4,262,673	4,546,941

Macquarie Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

	2020 £	2019 £
Note 6. Taxation		
(i) Tax expense included in profit or loss		
Current tax		
UK corporation tax at 19% (2019: 19%)	2,467,267	10,129,948
Adjustment in respect of previous periods	(139,590)	5,328,102
Total current tax	2,327,677	15,458,050
Deferred tax		
Origination and reversal of timing differences	4,653	525,427
Adjustments to tax in respect of prior years	3,536	-
Effect of changes in tax rates	(8,580)	(55,308)
Total deferred tax	(391)	470,119
Tax on (loss)/profit on ordinary activities	2,327,286	15,928,169
(ii) Reconciliation of effective tax rate		
The income tax expense for the period is lower (2019: higher) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:		
(Loss)/profit before taxation	(40,956,971)	21,871,783
Current tax charge at 19% (2019: 19%)	7,781,824	(4,155,639)
Effect of –		
Adjustment in respect of previous periods	(136,054)	5,328,102
Expenses not deductible for tax purposes	-	(29)
Non-assessable income	(5,373,744)	14,716,899
Income allocation from Partnerships	63,840	94,144
Effect of rate change	(8,580)	(55,308)
Total tax on (loss)/profit on ordinary activities	2,327,286	15,928,169
(iii) Deferred tax comprises timing differences attributable to:		
Deferred tax liabilities		
Other liabilities	(46,471)	(45,904)
Transitional adjustment in respect of IFRS 9	(26,852)	(27,028)
Total deferred tax liabilities	(73,323)	(72,932)
(iv) Reconciliation of the Company's movement in deferred tax		
Balance at the beginning of the financial year	(72,932)	(513,019)
Temporary differences:		
Deferred tax charged to profit and loss account for the period	4,653	525,427
Effect of changes in tax rates	-	(55,308)
Deferred tax charged to equity	-	-
Adjustment in respect of previous periods	3,536	-
Transitional adjustment in respect of IFRS 9	(8,580)	(30,032)
Balance at the end of the financial year	(73,323)	(72,932)

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

Revenue authorities undertake risk reviews and audits as part of their normal activities. The Company has assessed these and other taxation claims and litigation, including seeking external advice where appropriate, and considers that it holds appropriate positions.

Macquarie Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

	2020	2019
	£	£
Note 7. Investments		
Interests in associates (Note 8)	5,036,846	19,303,915
Financial investments (Note 9)	166,068,921	176,414,348
Investments in subsidiaries (Note 10)	4,309,032	4,308,655
Total investments	175,414,799	200,026,918
Reconciliation of movement in investments		
Balance at the beginning of the financial year	200,026,918	166,321,738
Change on initial application of IFRS 9	-	(105,152)
Change in fair value	(38,184,930)	68,083,588
Additions	25,756,798	26,537,443
Foreign exchange movements	3,219,372	1,888,060
Impairment charge loan to associate	(10,819,324)	(50,878,479)
Impairment charge on investment in subsidiary	-	-
Return of capital	(4,008,677)	(15,442,082)
Disposals	(938,543)	(413,853)
Interest accrued on debt investments	18,757	4,035,655
Interest Payments	(18,653)	-
Provisions for impairment reversed for the year	116,343	-
Accounting Reclassification	246,738	-
Balance at the end of the financial year	175,414,799	200,026,918

Note 8. Interests in associates

Loans and investments without provisions for impairment	5,036,846	8,522,166
Loans and investments with provisions for impairment	158,341,204	148,624,025
Less provision for impairment	(158,341,204)	(137,842,276)
Loans and investments with provisions for impairment at recoverable amount	-	10,781,749
Total interests in associates	5,036,846	19,303,915

Macquarie Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

Note 8. Interests in associates (continued)

Name of investment	Nature of business	Place of Incorporation	% ownership	2020	2019
				£	£
Macquarie China Retail Company 2 Limited	Private mutual fund entity	Wessex House, 3rd Floor, 45 Reid Street, Hamilton HM12, Bermuda	3.00%	5,036,765	4,751,733
Harry Holdings Sarl	Holding Company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	20.00%	-	132,834
Macquarie Korea Opportunities Fund 4 ¹	Private Equity Fund	(Hanwha Bldg., Sogong-dong) 109 Sogong-ro, Jung-gu Seoul 04525 Korea, Republic of	1.55%	-	2,975,179
MIRA Infrastructure Global Solution II LLC	Limited Liability Company	125 W 55th Street Level 15 New York NY 10019 United States	1%	80	77
Total interests in associates				5,036,846	7,859,823
Name of investment	Nature of business	Country of Incorporation	% ownership		
MPF Holdings Limited ²	Holding company	1st Floor, Waterloo House, Don Street, Helier, Jersey	16.48%	-	10,781,749
Harry Holdings Sarl ³	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	20.00%	-	662,343
Total loans to associates				-	11,444,092
Total loans and interests in associates				5,036,846	19,303,915

¹ On 16 October 2019, the Company reclassified its investment in Macquarie Korea Opportunities Fund 4 from investment in associate to a financial investment measured at fair value through the profit and loss (Note 9).

² On 31 December 2019, the equity value of the investment was written down to £ nil. The Company held loan notes with a principal amount of £76,821,289 (2019: £76,821,289) and accrued interest of £58,053,097 (2019: £46,968,955) issued by Calon Energy (Investments) Limited, a subsidiary of MPF Holdings Limited. The interest is receivable on these loan notes at 8% (2019: 8%) per annum. During the year, interest receivable has been recorded at the effective interest rate on the loan of 7.95%. During the year, an impairment provision of £11,302,086 (2019: £50,878,479) was recorded on the loan note.

³ On 1 October 2019 the Company's subsidiary Harry Holdings Sarl completed the sale of the Vector Parks real estate assets. On 30th January 2020, pursuant to shareholder approval, Harry Holdings Sarl was placed into liquidation. An advance on the liquidation boni in an amount of EUR 4,365,547.64 was paid to the Company on 20th February 2020.

Macquarie Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

	2020	2019
	£	£
Note 9. Financial investments		
Equity securities		
Unlisted ¹	166,068,921	176,414,348
Total financial investments	166,068,921	176,414,348

¹ Unlisted equity securities are measured at FVTPL which are not subject to impairment under IFRS 9.

Name of investment	Nature of business	Place of incorporation	% ownership		
Macquarie Asia Infrastructure Fund LP	Investor in infrastructure assets in Asia	PO Box 1093, GT Queensgate House South Church Street, George Town, Cayman Islands	2.03%	39,873,653	35,198,020
MIRA UK Gas Holdings LP	Investor in energy assets in the United Kingdom	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	1.71%	21,324,870	23,290,917
Macquarie European Infrastructure Fund 5 LP	Investor in infrastructure assets in Europe	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	1.15%	32,439,768	29,012,116
MEIF 5 Luxembourg B Holdings S.à r.l.	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	35.00%	32,434,817	72,284,862
MEIF 6 Luxembourg B Holdings S.à r.l. ¹	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	35.00%	6,201	-
Macquarie Super Core Infrastructure Fund SCSp	Investor in core regulated assets	Level 4, 20 Boulevard Royal L-2449 Luxembourg	1.10%	13,899,014	9,655,940
MSCIF Luxembourg B Holdings S.à r.l.	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	4.99%	8,550,261	5,985,926
Macquarie European Infrastructure Fund 6 SCSp	Investor in Infrastructure Assets	Level 4, 20 Boulevard Royal L-2449 Luxembourg	0.72%	9,541,503	-
MGREF 2 Luxembourg B Holdings Sarl ²	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	100.00%	1,063,042	-
Macquarie GIG Renewable Energy Fund 2 SCSp ³	Investor in renewable energy assets	Level 4, 20 Boulevard Royal L-2449 Luxembourg	5.00%	1,933,823	-
Macquarie Korea Opportunities Fund 4 ⁴	Private Equity Fund	Korea	1.55%	3,145,237	-
Stable Income European Real Estate Fund SICAV- RAIF	Unlisted real estate investment vehicle	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	5.78%	1,856,732	986,567
Total investments				166,068,921	176,414,348

Macquarie Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

Note 9. Financial investments (continued)

¹ On 7 August 2019, the Company's Board of Directors approved the subscription for 700,000 new class B share in the capital of MEIF 6 Luxembourg B Holdings Sarl with a nominal value of one Euro cent and approved the payment of EUR 7,000 in consideration for the subscription of the B shares.

² On 13 June 2019, the Company subscribed for a commitment of EUR 21,789,134 in MEIF 6 SCSp.

On 11 July 2019, the Company's Board of Directors approved to enter into a subscription agreement of EUR 1,416,000 with MEIF 6 Sophisticated Staff Investors Feeder SCSp ("SIF") and that such amount would in time be transferred to new or existing limited partners in the SIF. In accordance with the commitments made to the SIF the Company provided capital of EUR 344,750.

² On 20 March 2020, the Company subscribed for 100,000 class B shares in MGREF 2 Luxembourg B Holdings Sarl for EUR 1,200,000.

³ On 17 December 2019, the Board of Directors approved that the Company make an initial commitment of EUR 50 million to Macquarie GIG Renewable Energy Fund 2 SCSp.

⁴ On 16 October 2019, the Company reclassified its investment in Macquarie Korea Opportunities Fund 4 from investment in associate to a financial investment measured at fair value through the profit and loss. The investment had a carrying value of KRW 4,400,550,000 and was transferred at fair value of KRW 4,774,847,839. As such, the difference in carrying value was recorded as a gain of KRW 374,297,838.

Note 10. Investments in subsidiaries

	2020	2019
	£	£
Investments at cost with no provisions for impairment	3,066,902	3,066,525
Investments at cost with provisions for impairment	2,800,002	2,800,002
Less provisions for impairment	(1,557,872)	(1,557,872)
Investments with provisions for impairment at recoverable amount	1,242,130	1,242,130
Total investments in subsidiaries	4,309,032	4,308,655

Name of investment	Nature of business	Place of incorporation	% ownership		
Controlled entity:					
Macquarie China Logistics Fund Limited	Private mutual fund entity	Penboss Building, 50 Parliament Street, Hamilton, HM12, Bermuda	100%	-	-
Macquarie Infrastructure and Real Assets Investments (Luxembourg) S.à r.l.	Holding Company	46, Place Guillaume II L-1648 Luxembourg	99.99%	11,073	10,780
MIF Holdings Limited	Managing general agent of Macquarie Insurance Facility	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100%	1,242,130	1,242,130
Macquarie Infrastructure and Real Assets Investments 2 Limited	Holding Company	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100%	-	-
Macquarie Infrastructure and Real Assets Investments 3 Limited	Holding Company	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100%	-	-

Macquarie Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

Note 10. Investments in subsidiaries (continued)

Name of investment	Nature of business	Place of incorporation	% ownership	2020 £	2019 £
Macquarie Infrastructure and Real Assets Core Limited	Holding Company	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100%	100	100
Macquarie Infrastructure Partners IV GP LLC	General partner of Macquarie Infrastructure Partners IV, LP	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County DE 19808, United States	99.8%	80	80
Macquarie Infrastructure Partners V GP, LLC	General partner of Macquarie Infrastructure Partners IV, LP	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County DE 19808, United States	100%	80	-
MIRA Infrastructure Global Solution GP LLC	General partner of MIRA Infrastructure Global Solution, LP	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County DE 19808, United States	100%	3,055,569	3,055,565
Total investments in subsidiaries				4,309,032	4,308,655

Note 11. Debtors

Amounts owed by other Macquarie Group undertakings ¹	45,786,537	6,558,861
Taxation	2,471,012	10,129,948
Derivative assets	210,802	209,781
Other debtors	-	49,175
Total debtors	48,468,351	16,947,765

¹ Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans to group undertakings at market rates and at 31 March 2020 the rate applied ranged between LIBOR plus 1.63% and LIBOR plus 2.66% (2019: LIBOR plus 1.93%).

Note 12. Creditors: amounts falling due within one year

Amounts owed to other Macquarie Group undertakings ¹	162,521,121	51,743,941
Derivative liabilities	2,137	-
Other creditors	-	194,136
Total creditors: due within one year	162,523,258	51,938,077

¹ Amounts owed to other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company incurs interest on amounts owed to Macquarie Group undertakings at market rates and at 31 March 2020 the rate applied was LIBOR plus 2.15% (2019: LIBOR plus 1.93%).

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

Amounts owed to other Macquarie Group undertakings ¹	-	65,047,420
Total creditors: due after one year	-	65,047,420

¹ Amounts owed to other Macquarie Group undertakings represented unsecured loan facilities with Macquarie (UK) Group Services Limited. The Company incurred interest on the above loan at the rate of LIBOR plus 1.17%. These loans matured on 1 November 2019.

Notes to the financial statements
for the financial year ended 31 March 2020 (continued)

Note 14. Called up share capital

	2020	2019
Number of shares		
Number of shares		
Called up share capital		
Opening balance of fully paid ordinary shares	103,396,782	103,396,782
Closing balance of fully paid ordinary shares	103,396,782	103,396,782

Note 15. Other reserves and profit and loss account

	2020	2019
Reserves		
Available for sale reserve		
Balance at the beginning of the financial year	14,028,037	14,028,037
Reclassification to profit and loss accounts on initial application of IFRS 9	-	(14,028,037)
Balance at the end of the financial year	-	-
Total other reserves at the end of the financial year	-	-
Profit and loss account		
Balance at the beginning of the financial year	(3,480,528)	(41,280,480)
(Loss)/profit attributable to ordinary equity holders of the Company	(38,629,685)	37,799,952
Balance at the end of the financial year	(42,110,213)	(3,480,528)
Total profit and loss account	(42,110,213)	(3,480,528)

Note 16. Related party information

During the year, a new Master Loan Agreement (the "MLA") replaced the Omnibus Loan and Deposit Agreement (the "Omnibus"), which contains the key terms for funding and related arrangements between various related body corporate entities which are under the common control of MGL. The MLA clarifies terms including tenor, pricing, settlement and offsetting terms for entities within the group. Substantially all entities which were a party to the Omnibus have acceded to the MLA.

The MLA excludes derivatives, repurchase agreements, broker settlements and stock lending-related balances. These, together with certain bespoke lending arrangements, have been presented on a gross basis as at 31 March 2020 and is not comparable with the previous year wherein they have been offset with other balances under the Omnibus.

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 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.

Macquarie Infrastructure and Real Assets Investments Limited

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

Note 16. Related party information (continued)

Details of holdings by subsidiary undertakings are as below:

Name of related party	Registered office	% ownership	Class of shares
Subsidiaries of Macquarie Infrastructure Partners IV GP LLC			
MIP IV (Canada) GP, LLC	1209 Orange Street Wilmington, New Castle County DE 19801 United States	100	Membership Interest Shares
MIP IV Executives LP	1209 Orange Street Wilmington, New Castle County DE 19801 United States	100	General Partnership Interests Shares

Note 17. Directors' remuneration

During the financial years ended 31 March 2020 and 31 March 2019, 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 18. Contingent liabilities and commitments

	2020	2019
	£	£
Commitments exist in respect of:		
Undrawn commitments ¹	131,409,972	102,332,467
Total commitments	131,409,972	102,332,467

¹Total commitments to provide equity and debt may convert to financial investments in the ordinary course of business.

Note 19. Ultimate parent undertaking

At 31 March 2020 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.

Notes to the financial statements for the financial year ended 31 March 2020 (continued)

Note 20. Events after the reporting date

The Company made additional investments in the following after the reporting date:

- Macquarie Korea Opportunities Fund 5 of £7,280,936;
- Macquarie European Infrastructure Fund 5 LP of £2,243,181;
- Macquarie European Infrastructure Fund 6 LSCSp of £2,985,826;
- Macquarie GIG Renewable Energy Fund 2 SCSp of £7,723,327; and
- Stable Income European Real Estate Fund S.C.C. SICAV-RAIF of £1,860,843.

On 25 August 2020, ownership of the Company was transferred to Macquarie International Limited.

On 16 September 2020, the Company subscribed for an additional EUR 50 million in Macquarie GIG Renewable Energy Fund 2 SCSp.

On 22 October 2020, the Company became founder partner of Macquarie GIG Renewable Energy Fund 2 Sophisticated Staff Investors Feeder SCSp.

On 20 November 2020, the Company established a build-to-rent ("BTR") development and management business, BTR Management Limited.

On 15 December 2020, the Company's Board of Directors approved a recapitalisation of Macquarie Infrastructure Partners V GP, LLC ("MIP V") and an increase in MIRAIL's interest in MIP V.

On 16 February 2021, the Company's Board of Directors approved the transfer of part of its interest in the Macquarie GIG Renewable Energy Fund 2 SCSp, a commitment of EUR 3,040,000, to MGRF2 Sophisticated Staff Investors Feeder SCSp.

On 8 March 2021, the Company's Board of Directors approved the appointment of the Company as Founder Partner of MSCIF A1 SCSp.

On 18 March 2021, the Company's Board of Directors approved the establishment of Macquarie European Logistics Real Estate Fund SCSp for which the Company shall act as the founder partner.

There were no material events subsequent to 31 March 2020 and up until the authorisation of the financial statements for issue, that have not been reflected in the financial statements