

MACQUARIE LENDING & INVESTMENT PARTNERS LLP

REGISTRATION NUMBER OC363068

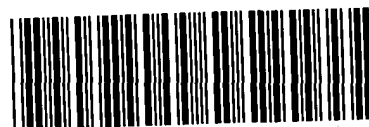
Board of Managers' Report and Financial Statements
for the financial year ended 31 March 2018



MACQUARIE

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

THURSDAY



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08/11/2018
COMPANIES HOUSE

Macquarie Lending & Investment Partners LLP

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Macquarie Lending & Investment Partners LLP

Strategic Report for the financial year ended 31 March 2018

In accordance with a resolution of the Board of Managers (the "Members") of Macquarie Lending & Investment Partners LLP (the "Partnership"), the Members submit herewith the Strategic Report of the Company as follows:

Principal activities

The Partnership was incorporated on 23 March 2011. The principal activities of the Partnership during the year was to invest in notes issued by and loans provided to various group companies.

Review of operations

The profit attributable to members of the Partnership for the financial year ended 31 March 2018 was US\$37,479,203 (2017: US\$13,017,321).

As at 31 March 2018, the Partnership had net assets of \$2,057,756,191 (2017: \$1,457,276,988).

Principal risks and uncertainties

From the perspective of the Partnership, 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 Partnership, are discussed in MGL's financial statements and can be obtained from the address given in Note 11.

Financial risk management

Risk is an integral part of the Macquarie Group's businesses. The Partnership is exposed to a variety of financial risks that include the effects of credit risk, interest rate risk, foreign exchange risk, and liquidity risk. Additional risks faced by the Partnership 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.

As ultimately an indirect subsidiary of MGL, the Partnership 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 within the Macquarie Group's credit risk framework, as established by RMG.

Liquidity risk

Liquidity risk is the risk of an entity encountering difficulty in meeting obligations with financial liabilities. The Members 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 Partnership to manage this risk effectively.

Interest rate risk

The Partnership has both interest bearing assets and interest bearing liabilities. Interest bearing assets include receivables from other Macquarie Group undertakings, 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 except certain balances with domestic affiliates that incur fixed rate of interest.

Macquarie Lending & Investment Partners LLP

Strategic Report

for the financial year ended 31 March 2018 (continued)

Financial risk management (continued)


Foreign exchange risk

The Partnership has foreign exchange exposures which include amounts receivable from and payable to other Macquarie Group undertakings and external parties which are denominated in non-local currencies. Any material non-local currency exposures are managed by applying a group wide process of minimising exposure at an individual company level.

Other matters

Given the straightforward nature of the business and the information provided elsewhere in this report, the Members are of the opinion that the production of financial and non-financial key performance indicators, the entity's business impact on the environment and social, community and human rights issues in the Strategic Report is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board


Member **Robert Thompson**
2/11/ 2018

Macquarie Lending & Investment Partners LLP

Board of Managers' Report for the financial year ended 31 March 2018

The Board of Managers of Macquarie Lending & Investment Partners LLP (the "Partnership") submits the following report, in respect of the financial year ended 31 March 2018.

Members of the Board of Managers

The Members who each held office as a member of the Board of Managers throughout the year and until the date of this report, unless disclosed otherwise, were:

J Gordon-Carr
G Parsons
R Thompson

Results

The profit for the financial year is set out in the profit and loss account on page 8.

During the financial year, a distribution of US\$37,000,000 (2017: US\$7,410,272) was paid to its members.

State of affairs

In September 2017, the Partnership issued US\$600m of common units to Macquarie Bank Limited (London Branch) ("MBL LB") and used the funding to repay US\$600m of loan from MBL LB.

There were no other significant changes in the state of the affairs of the Partnership that occurred during the financial year under review other than those previously disclosed in this report.

Events after the reporting period

On 29 June 2018, the loan with principal amount of \$1,177,183,965 with Macquarie Aerospace Investments Limited matured.

The Board of Managers of the Partnership approved the distribution of \$20,000,000 to its members on 24 September 2018.

As on the date of this report, the members of the Board of Managers are not aware of any other matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Partnership, the results of those operations, or the state of affairs of the Partnership in the financial years subsequent to 31 March 2018 not otherwise disclosed in this report.

Statement of Members' responsibilities in respect of the financial statements

The Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the Members to prepare financial statements for each financial year. Under that law the Members 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).

Macquarie Lending & Investment Partners LLP

Board of Managers' Report

for the financial year ended 31 March 2018 (continued)

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

Under company law, as applied to limited liability partnerships, the Members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the financial statements, the members are required to:

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

The Members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

Disclosure of information to auditors


So far as the Board of Managers is aware, there is no relevant audit information of which the Partnership's auditors are unaware. The Board of Managers have taken all the steps necessary in order to make itself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Independent Auditors

The Board of Managers has appointed PricewaterhouseCoopers LLP as auditors of the Partnership. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the Board

Manager


Robert Thompson
2/11/2018

Macquarie Lending & Investment Partners LLP

Independent Auditors' Report to the members of Macquarie Lending & Investment Partners LLP

Report on the financial statements

Our opinion

In our opinion, Macquarie Lending & Investment Partners LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Board of Managers' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2018; the profit and loss account 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 limited liability partnership 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 when:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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 limited liability partnership'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 members 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 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.

Macquarie Lending & Investment Partners LLP

Independent Auditors' Report to the members of Macquarie Lending & Investment Partners LLP (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of Board of Managers' Responsibilities set out on page 4, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership 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 opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, 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 as applicable to limited liability partnerships 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 limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Amena Shaista (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

6/11 2018

Macquarie Lending & Investment Partners LLP

Profit and loss account for the financial year ended 31 March 2018

	Note	2018 US\$	2017 US\$
Interest receivable and similar income	4	44,685,430	35,491,003
Interest payable and similar charges	5	(7,373,770)	(21,528,045)
Net interest income		37,311,660	13,962,958
Administrative income/(expenses)		4,917	(894,467)
Other operating income/(expense)	3	162,626	(51,170)
Total operating income/(expense)		167,543	(945,637)
Profit for the financial year before members' remuneration and profit share		37,479,203	13,017,321
Members' remuneration charged as an expense	8	(37,000,000)	(7,410,272)
Profit for the financial year available for discretionary division among members		479,203	5,607,049

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

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 Lending & Investment Partners LLP

Balance sheet as at 31 March 2018


	Note	2018 US\$	2017 US\$
Current assets			
Debtors	6	2,063,203,184	2,059,615,547
Current liabilities			
Creditors: amounts falling due within one year	7	(5,446,993)	(602,338,559)
Net current assets		2,057,756,191	1,457,276,988
Total assets less current liabilities		2,057,756,191	1,457,276,988
Net assets attributable to members of the LLP		2,057,756,191	1,457,276,988

Represented by:

Total Members' interests'			
Members' capital classified as a liability	8	2,050,050,000	1,450,050,000
Members' other interests	8	7,706,191	7,226,988
Total Members' interests'		2,057,756,191	1,457,276,988

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 8 to 14 were authorised for issue by the Board of Managers on *2 November* 2018 and signed on its behalf by:


 Manager
Robert Thompson

Macquarie Lending & Investment Partners LLP

Notes to the financial statements for the financial year ended 31 March 2018

Note 1. General information

The Partnership is a limited liability partnership 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 years presented, unless otherwise stated.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006 ("the Act") as applied to limited liability partnerships by the Limited Liability Partnerships (Account and Audit) Regulations, 2008 and as amended by the Companies and Partnerships (Accounts and Audit) Regulations, 2013 (the "Regulations"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

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 European Union ("EU") adopted International Financial Reporting Standards ("IFRS").

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

- the requirements of IAS 7 'Statement of Cash Flows'.
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- the requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation)
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures).

Critical accounting estimates and significant judgements

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Partnership and the financial statements such as the impairment of intercompany loans (Note 2(vii)).

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

(ii) Going concern

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

(iii) Foreign currency translations

Functional and presentation currency

Items included in the financial statements of the Partnership are measured using the currency of the primary economic environment in which the Partnership operates (the functional currency). The Partnership's financial statements are presented in 'United States Dollar' (USD), which is also the Partnership's functional currency.

Macquarie Lending & Investment Partners LLP

Notes to the financial statements for the financial year ended 31 March 2018 (continued)

Note 2. Summary of significant accounting policies (continued)

Transactions and balances

Foreign currency transactions are translated into the 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 profit and loss account.

(iv) Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for each major revenue stream as follows:

Net interest income/expense

Interest income and expense are brought to account using the effective interest rate method. The effective interest rate method calculates the amortised cost of a financial instrument and allocates the interest income or interest expense over the relevant period. The effective interest rate is the 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 associated with loans are capitalised and included in the effective interest rate and recognised in the profit and loss account over the expected life of the instrument.

Other operating income/(expenses)

Other operating income/(expenses) comprises other gains and losses relating to foreign exchange differences and all realised and unrealised fair value changes on derivatives which are recognised in the profit and loss account.

Expenses

Expenses are brought to account on an accrual basis and, if not paid at the end of the reporting year, are reflected on the balance sheet as a payable.

(v) Investments and other financial assets

Loans and receivables

This category includes loan assets held at amortised cost, other receivables and amounts due from related entities, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised on settlement date, when cash is advanced to the borrower.

(vi) Taxation

For income tax purposes, profits and losses of the Partnership are passed through to the members. As a result, no tax provision is reflected in the financial statements of the Partnership. Taxes related to the partnership tax returns are not significant and, when applicable, are included in other operating expenses in the profit and loss account.

Macquarie Lending & Investment Partners LLP

Notes to the financial statements for the financial year ended 31 March 2018 (continued)

Note 2. Summary of significant accounting policies (continued)

(vii) Impairment

Loan assets held at amortised cost

Loan assets are subject to regular review and assessment for possible impairment. Provisions for impairment on loan assets are recognised based on an incurred loss model and re-assessed at each balance date. A provision for impairment is recognised when there is objective evidence of impairment, and is calculated based on the present value of expected future cash flows, discounted using the original effective interest rate.

Individually assessed provisions for impairment are recognised where impairment of individual loans are identified. Where individual loans are found not to be impaired, they are placed into pools of assets with similar risk profiles and collectively assessed for losses that have been incurred but are not yet specifically identifiable.

The Company makes judgements as to whether there is any observable data indicating that there is a significant decrease in the estimated future cash flows before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of the borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the profit and loss to the extent of what the amortised cost would have been had the impairment not been recognised.

When the Company concludes that there is no reasonable expectation of recovering cash flows from the asset and all possible collateral has been realised, the loan 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.

(viii) Offsetting financial instruments

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

(ix) Members' capital

In accordance with International Accounting Standard 32, all members' capital and loan contributions are classified as debt rather than equity since the Partnership is in existence for a fixed period. Any distributions paid to Members are recognised as an expense attributable to Members in the profit and loss account.

The subscription and repayment of amounts subscribed to by Members and drawings by Members will be governed by Macquarie Lending & Investment Partners LLP Limited Liability Partnership Deed.

Macquarie Lending & Investment Partners LLP

Notes to the Financial Statements for the financial year ended 31 March 2018 (continued)

	2018	2017
	US\$	US\$

Note 3. Other operating income/(expense)

Income/(expense) on ordinary activities is stated after (crediting)/charging:

Foreign exchange (gains)/losses	(162,626)	51,170
Auditors' remuneration:		
Fees payable to the Partnership's auditors for the audit of the Partnership	13,865	14,504

The Partnership had no employees during the year (2017: nil).

Note 4. Interest receivable and similar income

Interest receivable from other Macquarie Group undertakings	44,685,430	35,491,003
Total interest receivable and similar income	44,685,430	35,491,003

Note 5. Interest payable and similar charges

Interest payable to other Macquarie Group undertakings	7,373,770	21,528,045
Total interest payable and similar charges	7,373,770	21,528,045

Note 6. Debtors

Amounts owed by other Macquarie Group undertakings	2,063,203,184	2,059,615,547
Total debtors	2,063,203,184	2,059,615,547

Debtors represent amounts receivable from Macquarie Group undertakings which are in the form of notes/loans with maturity dates as specified below. The Partnership derives interest on these notes and deposits and the rate applied is LIBOR plus a margin. The rates are mentioned below.

For the year ended 31st March 2018

Group Undertaking	Amount	Maturity Date	Rates
Macquarie Commodities (UK) Limited	808,340,581	28/09/2018	9m-12m USD LIBOR + Margin between 0.38% and 0.87%
Macquarie Commodities (UK) Limited	75,656,091	28/09/2018	6m-12m USD LIBOR + Margin between 0.42% and 0.72%
Macquarie Aerospace Investments Limited	1,179,206,513	29/06/2018	1m USD LIBOR + Margin between 0.29% and 0.79%

For the year ended 31st March 2017

Group Undertaking	Amount	Maturity Date	Rates
Macquarie Commodities (UK) Limited	809,316,206	29/12/2017	12m USD LIBOR + Margin 0.87%
Macquarie Commodities (UK) Limited	74,829,812	28/09/2017	6m USD LIBOR + Margin 0.72%
Macquarie Aerospace Investments Limited	1,175,469,529	28/09/2017	1m USD LIBOR + Margin 0.79%

Note 7. Creditors: Amounts falling due within one year

Amount owed to other entities in the Macquarie Group ¹	5,446,993	602,338,559
Total creditors	5,446,993	602,338,559

¹ Amount owed to other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Partnership incurs interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2018 the rate applied was LIBOR plus 1.94% (2017: LIBOR plus 1.53%).

Macquarie Lending & Investment Partners LLP

Notes to the Financial Statements for the financial year ended 31 March 2018 (continued)

	2018 US\$	2017 US\$
Note 8. Loans and other debts due to members		
Members' capital classified as a liability under FRS 25:		
Opening balance	1,450,050,000	10,050,000
Contribution during the year	600,000,000	1,440,000,000
Closing balance	2,050,050,000	1,450,050,000
Members' other interests:		
Amount brought forward from the previous year	7,226,988	1,619,939
Profit for the financial year before members' remuneration and profit shares	37,479,203	13,017,321
Members' remuneration charged as an expense ¹	(37,000,000)	(7,410,272)
Closing balance	7,706,191	7,226,988

Members' capital and loan contribution are classified as debt rather than equity since the Partnership is in existence for a fixed term of 9 years.

¹ Members' remuneration charged as an expense was paid out to the members of the Partnership - Macquarie Financial Holdings (USA) LLC - US\$ nil (2017: US\$7,373,290), Macquarie Americas Holdings Pty Ltd - US\$1,109 (2017: US\$36,982), Macquarie Bank Limited (London Branch) - US\$36,998,891 (2017: US\$ nil).

Note 9. Related party information

As 100% of the voting rights of the Partnership are controlled within the group headed by MGL, incorporated in Australia, the Partnership 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 11.

The Partnership does not have any related party transactions or balances other than those with entities which form part of the Macquarie Group as mentioned above.

Note 10. Contingent liabilities and assets

The Partnership has no commitments (2017: nil) or contingent assets/liabilities which are individually material or a category of commitments or contingent liabilities which are material.

Note 11. Ultimate Parent undertaking

At 31 March 2018 the immediate parent undertaking of the Partnership is Macquarie Bank Limited (London Branch).

The ultimate parent undertaking and controlling party of the Partnership, is MGL. The largest group to consolidate these financial statements, is MGL, a company incorporated in Australia. The smallest group to consolidate these financial statements is Macquarie Bank Limited ("MBL"), a company incorporated in Australia. Copies of the consolidated financial statements for MGL and MBL can be obtained from the Company Secretary, Level 6, No. 50 Martin Place, Sydney, New South Wales, 2000, Australia.

Note 12. Events after the reporting period

On 29 June 2018, the loan with principal amount of \$1,177,183,965 with Macquarie Aerospace Investments Limited matured.

The Board of Managers of the Partnership approved the distribution of \$20,000,000 to its members on 24 September 2018.

There were no other material events subsequent to 31 March 2018 that have not been reflected in the financial statements.