MACQUARIE UK HOLDINGS LIMITED
COMPANY NUMBER 02579363

Strategic Report, Directors' Report and Financial Statements
for the financial year ended 31 March 2019

MACQUARIE

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

Macquarie UK Holdings Limited

2019 Strategic Report, Directors' Report and Financial Statements

Contents

Strategic Report
for the financial year ended 31 March 2019

In accordance with a resolution of the directors (the "Directors") of Macquarie UK Holdings 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 2019 was to carry on the business of an investment holding company.

Review of operations

The profit for the financial year ended 31 March 2019 was £16,295,412, as compared to a profit of £2,943,071 in the previous financial year.The increase over prior year is mainly related to an increase in fair value of the listed equity investment in Macquarie Korea Infrastructure Fund, which is classified as fair value through profit and loss as compared to fair value through reserves in the prior year before the adoption of IFRS 9.

Net operating profit for the financial year ended 31 March 2019 was £21,202,608, an increase of 385% from £4,369,918 in the previous financial year.

Administrative expenses for the financial year ended 31 March 2019 were £61,533, as compared to administrative expenses of £57,052 in the previous financial year.

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.

The Macquarie Group operates parts of its European Union ("EU") business from United Kingdom based subsidiaries such as the Company. 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 economic, regulatory and legal environment as a result of Brexit will depend on the nature of the transitional arrangements (if any), and the Company continues to assess the possible impacts of Brexit and its strategic options to mitigate those impacts.

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, market risk and exposure to the performance of its investments. 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.

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.

Strategic Report (continued)
for the financial year ended 31 March 2019

Financial risk management (continued)

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 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.

Market risk
The Directors have adopted the risk model used by the Macquarie Group, as approved by RMG. This model is incorporated into the Macquarie Group's risk management systems to enable the Company to manage this risk effectively.

Interest rate risk
The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances and receivables from other Macquarie Group undertakings, all of which earn a variable rate of interest. Interest bearing liabilities include payables to other Macquarie Group undertakings, which also incur a variable rate of interest.

Foreign exchange risk
The Company has foreign exchange exposures which include amounts receivable from and payable to other Macquarie Group undertakings and external parties which are denominated in non-functional currencies. Any material non-functional currency exposures are managed by applying 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 Directors are of the opinion that the production of financial and non-financial key performance indicators, the Company's business impact on the environment and social, community and human right 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

Holly Coleman

Holly Coleman
Director 15/11/2019

Directors' Report
for the financial year ended 31 March 2019

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

Directors and Secretaries

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

H Coleman
A Nottingham
R Thompson

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

H Everitt

Results

The profit for the financial year ended 31 March 2019 was £16,295,412 (2018: £2,943,071).

Dividends and distributions paid or provided for

No dividends were paid during the financial year (2018: £nil).

No final dividend has been proposed.

State of affairs

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

Events after the reporting period

At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2019 not otherwise disclosed in this report.

Likely developments, business strategies and prospects

The Directors believe that no significant changes are expected other than those already disclosed in this 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 and foreign exchange risk are contained within the Strategic Report.

Indemnification and insurance of Directors

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

Directors' Report (continued)
for the financial year ended 31 March 2019

Statement of Directors' responsibilities

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

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

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. 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

Holly Coleman

Holly Coleman
Director

15/11/2019

Independent auditors' report to the members of Macquarie UK Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Macquarie UK Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account, the statement of comprehensive income, 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

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 2019 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 5, 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.

Peter Venables

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

15 November 2019

Financial Statements

Profit and loss account
for the financial year ended 31 March 2019

	Note	2019[1] £	2018 £
Turnover		**5,351,834**	4,557,484
Administrative expenses	3	**(61,533)**	(57,052)
Other operating income/(expenses)	3	**15,912,307**	(130,514)
Operating profit		**21,202,608**	4,369,918
Interest receivable and similar income	4	**471,016**	822,400
Interest payable and similar charges	5	**(800,501)**	(787,523)
Amount written off investments	9	**(938,694)**	(3,349,321)
Profit on ordinary activities before taxation	3	**19,934,429**	1,055,474
Tax on profit on ordinary activities	6	**(3,639,017)**	1,887,597
Profit for the financial year		**16,295,412**	2,943,071

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

[1] The March 2019 financial results reflect the adoption of IFRS 9 – Financial Instruments ("IFRS 9"). As permitted by IFRS 9, the Company has not restated previously reported financial periods. Refer to Note 2 for the impact on the Company from initial adoption of IFRS 9.

Turnover and profit on ordinary activities before taxation relate wholly to continuing operations.

Statement of comprehensive income for the financial year ended 31 March 2019

	2019[1] **£**	2018 £
Profit for the financial year	**16,295,412**	2,943,071
Other comprehensive income[2]:		
Revaluation gains recognised in other comprehensive income	-	1,656,769
Total other comprehensive income for the financial year	-	1,656,769
Total comprehensive income	**16,295,412**	4,599,840
Total comprehensive income attributable to ordinary equity holders of the Company for the financial year	**16,295,412**	4,599,840

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

[1] The March 2019 financial results reflect the adoption of IFRS 9 – Financial Instruments (IFRS 9) on 1 April 2018. As permitted by IFRS 9, the Company has not restated previously reported financial periods. Refer to Note 2 for the impact on the Company from initial adoption of IFRS 9.

[2] All items are net of tax, where applicable.

Balance sheet
as at 31 March 2019

	Note	2019[1] £	2018 £
Fixed assets			
Investments	7	**90,710,004**	75,246,672
Current assets			
Debtors	10	**17,775,881**	14,348,379
Current liabilities			
Creditors: amounts falling due within one year	12	**(17,948,302)**	(5,968,162)
Net current (liabilities)/assets		**(172,421)**	8,380,218
Total assets less current liabilities		**90,537,583**	83,626,890
Deferred tax liabilities	11	**(8,675,451)**	(5,978,339)
Creditors: amounts falling due after more than one year	13	**(4,279,618)**	(16,333,799)
Net assets		**77,582,514**	61,314,752
Capital and reserves			
Called up share capital	14	**100**	100
Equity contribution from parent entity	14	**37,087,113**	37,087,113
Other reserves	15	**-**	29,036,423
Profit and loss account	15	**40,495,301**	(4,808,884)
Total shareholders' funds		**77,582,514**	61,314,752

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

[1]The March 2019 financial results reflect the adoption of IFRS 9 – Financial Instruments (IFRS 9) on 1 April 2018. As permitted by IFRS 9, the Company has not restated previously reported financial periods. Refer to Note 2 for the impact on the Company from initial adoption of IFRS 9.

The financial statements on pages 8 to 30 were approved by the Board of Directors on 15 November 2019 and were signed on its behalf by:

Holly Coleman

Holly Coleman
Director

Statement of changes in equity
for the financial year ended 31 March 2019

	Note	Called up share capital £	Equity contribution from parent entity £	Other reserves £	Profit and loss account £	Total shareholders' funds £
Balance at 1 April 2017		100	37,087,113	27,379,654	(7,751,955)	56,714,912
Profit for the financial year		-	-	-	2,943,071	2,943,071
Other comprehensive income, net of tax		-	-	1,656,769	-	1,656,769
Total comprehensive income		-	-	1,656,769	2,943,071	4,599,840
Balance at 31 March 2018		**100**	**37,087,113**	**29,036,423**	**(4,808,884)**	**61,314,752**
Change on initial application of IFRS 9[1]	22			(29,036,423)	29,008,773	(27,650)
Restated balance at 1 April 2018		**100**	**37,087,113**	**-**	**24,199,889**	**61,287,102**
Profit for the financial year		-	-	-	16,295,412	16,295,412
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	16,295,412	16,295,412
Balance at 31 March 2019		**100**	**37,087,113**	**-**	**40,495,301**	**77,582,514**

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.

[1]The March 2019 financial results reflect the adoption of IFRS 9 - Financial Instruments (IFRS 9) on 1 April 2018. As permitted by IFRS 9, the Company has not restated previously reported financial periods. Refer to Note 2 for the impact on the Company from initial adoption of IFRS 9.

Notes to the financial statements
for the financial year ended 31 March 2019

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 under the historical cost convention, as modified by the revaluation of investment securities available for sale and certain financial assets and financial liabilities (including derivative instruments) measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

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

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").

The Company is qualifying entity for the purposes of FRS 101. Note 19 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.
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 paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D and 111 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures);
- The requirements of IAS 7 'Statement of Cash Flows';
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation);
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group; 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'.

Critical accounting estimates and significant judgements

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

- judgement in timing and amount of credit impairment of financial investments, and investment in subsidiaries (Note 8 and 9);
- judgment and an estimate of recoverability of current and deferred tax liabilities (Notes 6 and 11).

Notes to the financial statements
for the financial year ended 31 March 2019

Note 2. Summary of significant accounting policies (continued)

Critical accounting estimates and significant judgements (continued)

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.

New Accounting Standards and amendments to Accounting Standards and that are effective in the current financial year

IFRS 9 Financial Instruments

IFRS 9 replaced International Accounting Standard 39 Financial Instruments: Recognition and Measurement ("IAS 39") from 1 April 2018. IFRS 9 resulted in changes to accounting policies covering the classification, measurement and impairment of financial assets and the application of hedge accounting. The Company has applied the requirements of IFRS 9 in the current financial year beginning 1 April 2018.

Transition:

As permitted by the IFRS, the Company has not restated its comparative financial statements and has recorded a transition adjustment to opening balance sheet, retained earnings and OCI at 1 April 2018 for the impact of the adoption of IFRS 9 requirements.

The transition adjustment has decreased the Company's shareholder's fund by £27,650 after tax, which mainly relates to IFRS 9's expected credit loss impairments (ECL) requirements. The ECL movement on debtors of £27,650 primarily represents Stage 1 provisions on balances on amounts owed from other Macquarie Group undertakings.

The transition adjustment related primarily to the implementation of the classification requirements which increased the opening retained earnings by £29,008,773 after tax.

Refer note 22 - Change on initial application of IFRS 9 for further details of the transition impact.

The key changes in the Company's significant accounting policies from the transition to IFRS 9 have been included within the relevant sections of this note and other notes of the financial statements. Accounting policies applicable to the prior period have been provided in italics as appropriate for comparability purposes.

New Accounting Standards and amendments to Accounting Standards and that are effective in the current financial year (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces all the previous guidance on revenue recognition from contracts with customers. It requires the identification of discrete performance obligations within a customer contract and an associated transaction price is allocated to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occurs when control of the goods or services are transferred to the customer.

The Company adopted IFRS 15 on 1 April 2018 and based on the assessment it has been concluded that all income streams are outside the scope of IFRS 15 so there is no transition impact due to adoption on the timing or amount of revenue recognised at 31 March 2018.

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.

Notes to the financial statements
for the financial year ended 31 March 2019

Note 2. Summary of significant accounting policies (continued)

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 2019 of £172,421. However, on 31 July 2019, the Company received interim dividends from the investment in Macquarie Korea Infrastructure Fund. As at the date of this report, the Company is in a net current asset position.

iv) Foreign currency translations

Functional and presentation currency

Items included in the financial statements of foreign operations are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The Company's financial statements are presented in the presentation currency, which is the Company's functional currency (pound sterling).

Transactions and balances

Foreign currency transactions are translated into 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.

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:

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 exactly 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 over the expected life of the instrument.

Other operating income/(expenses)

Other operating income/(expenses) comprises of 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.

Dividends and / distributions

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

Expenses

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

Note 2. Summary of significant accounting policies (continued)

vi) Taxation

The principles of the balance sheet method of tax effect accounting have 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 to utilise those temporary differences or tax losses. Deferred tax liabilities are recognised when such temporary differences will 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 directly in equity are also recognised directly in equity.

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
- the Company has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset.

In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. Any interest in the transferred and derecognised financial asset that is created or retained by the Company is recognised as a separate asset or liability. In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement as determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

Financial liabilities are de-recognised from the balance sheet when the Company's obligation has been discharged, cancelled or has expired.
Gains and losses on the derecognition of non-trading related financial assets and liabilities are recognised as other income or expense disclosed as part of other operating income and expenses.

Classification and subsequent measurement

Financial assets

On initial recognition the Company categorises financial assets as measured at: amortised cost or FVTPL. The classification is based on business model under which the financial assets is managed and its contractual cash flows.

Notes to the financial statements
for the financial year ended 31 March 2019 (continued)

Note 2. Summary of significant accounting policies (continued)

vii) Financial instruments (continued)

Classification and subsequent measurement (continued)

Business model assessment

The Company determines the business model at the level that reflects how groups of financial assets are managed. In determining the business model, all relevant evidence that is available at the date of the assessment is used including:
(i) how the performance of the financial assets held within that business model is evaluated and reported to the to the Macquarie Group's key management personnel;
(ii) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
(iii) how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
The Company exercises judgement to determine the appropriate level at which to assess its business models and its intention with respect to financial assets.

Solely payment of principal and interest (SPPI)

Key considerations for the SPPI assessment include the timing of the contractual cash flows and the interest component, where interest primarily reflects the time value of money and the credit risk of the principal outstanding.

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.

Fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be measured at amortised cost are measured at FVTPL, with all changes in fair value recognised as part of other operating income and expenses in the profit and loss account.
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).

For financial instruments measured at FVTPL, the best evidence of fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only data from observable markets. Where such alternative evidence exists, the Company recognises profit or loss immediately when the financial instrument is recognised ('day 1 profit or loss'). When significant unobservable inputs are used to determine fair value, the day 1 profit is deferred and is recognised in the profit and loss account over the life of the transaction or when the inputs become observable.
Changes in the fair value of financial assets that are designated to be made at FVTPL (DFVTPL) and FVTPL are recognised as part of other operating income and charges.
The interest component of financial assets that are classified as HFT, DFVTPL and FVTPL are recognised in interest income. Equity financial assets are measured at FVTPL.

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.

Notes to the financial statements
for the financial year ended 31 March 2019 (continued)

Note 2. Summary of significant accounting policies (continued)

vii) Financial instruments (continued)

Classification and subsequent measurement (continued)

Reclassification of financial instruments (continued)

Prior to the adoption of IFRS 9, the Company's financial assets were classified into the following categories:
- Available for sale, being financial assets that were initially carried at fair value plus transaction costs. Gains and losses arising from subsequent changes in fair values were recognised through OCI in the available for sale reserve in equity until the asset was derecognised or impaired, at which time the cumulative gain or loss was recognised in the profit and loss account. Interest income on available for sale debt financial assets was aligned with the treatment for financial assets classified as FVOCI under IFRS 9.
- When the fair value of an available for sale equity financial asset was less than its initial carrying amount and there was objective evidence of impairment, the cumulative loss was transferred from OCI and to other operating income and charges in the profit and loss account. Such impairment losses were not permitted to be reversed through the profit and loss account

- Other financial assets were designated at FVTPL if:
• the asset contained embedded derivatives which should otherwise have been separated and carried at fair value
• the asset was part of a group of financial assets and financial liabilities managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy, and reporting is provided on that basis to key management personnel, or
• doing so eliminated or significantly reduced a measurement or recognition inconsistency that would otherwise have arisen.
- Embedded derivatives in financial assets classified as loans and receivables and available for sale were required to be separately accounted for at fair value through profit or loss.

Offsetting of 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.

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.

viii) Derivative instruments

Derivative financial instruments entered into by the Company include FX forwards. These derivative instruments are principally used for the risk management of existing financial assets and financial liabilities.

All derivatives, including those held for hedging purposes, are recognised in the Balance sheet and are disclosed as an asset where they have a positive fair value at balance date or as a liability where the fair value at balance date is negative.

Fair values are obtained from quoted market prices in active markets including recent market transactions, and valuation techniques including discounted cash flow models and option pricing models, as appropriate.

Note 2. Summary of significant accounting policies (continued)

viii) Derivative instruments (continued)

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

ix) Hedge accounting

As part of its ongoing business, the Company is exposed to several financial risks, principally that of interest and foreign exchange rates and commodity price risk (collectively 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 measurement bases or location of the gains and losses between the exposure that is being hedged and the hedging instrument, the Company applies hedge accounting as detailed below:

Fair value hedge

For a derivative or financial instrument designated as hedging the change in fair value of a recognised asset or liability (or an unrecognised firm commitment), the gain or loss on the derivative or financial instrument is recognised in the profit and loss immediately together with the loss or gain on the hedged asset or liability that is attributable to the hedged risk.

Hedging Instruments

Includes foreign exchange forward contracts.

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.

Note 2. Summary of significant accounting policies (continued)

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 at fair value adjusted for directly attributable transaction costs on settlement date and subsequently measured in accordance with the Company's accounting policy for financial instruments Note 2 (vii).

xi) Due to/ from related entities

Transactions between the Company and its related entities, including its parent and subsidiaries, principally arise from the granting of loans and funding and are measured at amortised cost.

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 (or for those financial assets for which the credit risk is considered to be low), ECL is determined based on the PD over the next 12 months and the lifetime losses associated with such PD, adjusted for FLI.
Interest income is determined by applying the financial asset's EIR to the financial asset's gross carrying amount.

(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 assesses whether there has been a SICR since initial recognition based on qualitative, quantitative, and reasonable and supportable FLI that includes significant management judgement.
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.
Interest income is determined by applying the financial asset's EIR to the financial asset's gross carrying amount.

(iii) Stage III – Lifetime ECL credit-impaired

Financial assets are classified as stage III where they are determined to be credit impaired. 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.
Interest income is determined by applying the financial asset's EIR to the financial asset's amortised cost carrying value, being the gross carrying value after the ECL provision.

Notes to the financial statements
for the financial year ended 31 March 2019 (continued)

Note 2. Summary of significant accounting policies (continued)

xii) Impairment (continued)

(iv) Purchased or originated credit-impaired financial assets

Purchased or originated credit-impaired (POCI) financial assets are initially recognised at fair value with interest income subsequently determined using a credit-adjusted EIR. The credit-adjusted EIR is the EIR adjusted for expected credit losses on initial recognition. The ECL is measured as the product of the lifetime PD, LGD and EAD adjusted for FLI or by discounting the difference between the contractual and expected cash flows from the individual exposure using the credit-adjusted EIR, with increases and decreases in the measured ECL from the date of origination or purchase being recognised in profit and loss account as either an impairment gain or loss.

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.

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.

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.

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

	2019 £	2018 £
Note 3. Profit before taxation		
Profit before taxation is stated after charging:		
Foreign exchange (gains)/ losses	**(14,897)**	130,514
Credit and other impairment charges	**27,650**	-
Net gain on equity investments[1]	**15,891,516**	-
Fees payable to the Company's auditors for the audit of the Company	**31,436**	27,128

The Company had no employees during the year (2018: nil).

[1]Fair value gain and losses from equity financial investments that have been classified as FVTPL.

Note 4. Interest receivable and similar income

	2019 £	2018 £
Interest receivable from other Macquarie Group undertakings	**471,016**	822,400
Total interest receivable and similar income	**471,016**	822,400

Note 5. Interest payable and similar charges

	2019 £	2018 £
Interest payable to other Macquarie Group undertakings	**800,501**	787,523
Total interest payable and similar expenses	**800,501**	787,523

Note 6. Taxation

	2019 £	2018 £
Analysis of tax expense for the year:		
Current tax		
UK corporation tax at 19% (2018: 19%)	**(942,203)**	(841,880)
Adjustments in respect of prior periods	**300**	2,725,031
Foreign tax suffered	**(796,333)**	(700,421)
Double tax relief	**796,333**	700,421
Total current tax (expense)/benefit	**(941,903)**	1,883,151
Deferred tax		
Origination and reversal of temporary differences	**(3,014,419)**	4,969
Change in tax rate	**317,305**	(523)
Total deferred tax	**(2,697,114)**	4,446
Tax on profit	**(3,639,017)**	1,887,597

Factors affecting tax debit for the year:

The income tax expense for the period is lower (2018: lower) than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2019 £	2018 £
Profit before taxation	**19,934,429**	1,055,474
Profit before taxation multiplied by standard rate of corporation tax in the United Kingdom of 19% (2018: 19%)	**(3,787,542)**	(200,540)
Effects of:		
Adjustment in respect of previous periods	**300**	2,725,031
Non deductible expenses	**(169,080)**	(636,371)
Foreign tax suffered	**(796,333)**	(700,421)
Deduction for foreign tax suffered	**796,333**	700,421
Effect of changes in tax rates	**317,305**	(523)
Total tax credit/(expense)	**(3,639,017)**	1,887,597

The UK corporation tax rate was reduced to 19% with effect from 1 April 2017 and will further reduce to 17% from 1 April 2020.

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

	2019 £	2018 £
Note 7. Investments		
Financial investments (Note 8)	90,704,740	74,302,715
Investment in subsidiaries (Note 9)	5,264	943,957
Total investments	90,710,004	75,246,672

	2019 £	2018 £
Note 8. Financial investments		
Equity securities		
Listed	90,697,915	74,295,950
Unlisted[1]	6,825	6,765
Total financial investments	90,704,740	74,302,715

[1] Represents the cash surrender value of the securities held in Macquarie Korea Opportunities Fund.

Financial investments

Name of investment	Nature of business	Registered office	% ownership	2019 £	2018 £
Macquarie Korea Infrastructure Fund	Infrastructure investment	Hanwha Building, 109 Sokong-dong, Chung-ku, Seoul, 100-755, Republic of Korea	4	90,697,915	74,295,950
Macquarie Korea Opportunities Fund	Infrastructure investment	Hanwha Building, 109 Sokong-dong, Chung-ku, Seoul, 100-755, Republic of Korea	6	6,825	6,765
Total				90,704,740	74,302,715

	2019 £	2018 £
Note 9. Investments in subsidiaries		
Investments at cost without provision for impairment	943,957	4,308,278
Less provisions for impairment	(938,694)	(3,364,321)
Total investments in subsidiaries	5,264	943,957

Name of investment	Nature of business	Registered office	% ownership	2019 £	2018 £
Goonzaran Bluebell Leasing Limited[1]	Leasing	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	3,489	3,489
Goonzaran Bluebell Leasing Limited	Dormant Company	1st Floor, Connaught House,1 Burlington Road, Dublin 4 Ireland	100	78	78

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

Note 9. Investments in subsidiaries (continued)

Name of investment	Nature of business	Registered office	% ownership	2019 £	2018 £
UK PPP Investments GP Limited	General partner of a UK limited partnership	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	1
MQ PPP Investments Ireland GP Limited	Dormant Company	1st Floor, Connaught House, 1 Burlington Road, Dublin 4 Ireland	100	1	1
UK Platform GP Limited	Dormant Company	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	1
UK NPD Investments GP Limited	Dormant Company	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	100	100
Hermes Infrastructure Investco Ireland GP Limited	Dormant Company	1st Floor, Connaught House, 1 Burlington Road, Dublin 4 Ireland	100	756	756
Poseidon InvestCo GP Ireland Limited	Dormant Company	1st Floor, Connaught House, 1 Burlington Road, Dublin 4 Ireland	100	837	837
Euro IV PPP Platform GP Limited	General partner of a UK limited partnership	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	-
Rijn InvestCo PPP Ireland GP Limited	General partner of a Irish limited partnership	1st Floor, Connaught House, 1 Burlington Road, Dublin 4 Ireland	100	1	-
Macquarie Capital (Korea) Limited[2]	Advisory Fund	3rd Floor, Hanwha Building, Sogong-dong, 109 Sogong-ro, Jung-gu, Seoul, 100-755, South Korea	100	-	938,694
Total				5,264	943,957

[1]The carrying value includes an investment of USD$2 in redeemable preference shares issued by Goonzaran Bluebell Leasing Limited.

[2]During the financial year ended 31 March 2019, the Company fully impaired its investment in Macquarie Capital (Korea) Limited.

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

	2019 £	2018 £
Note 10. Debtors		
Amounts owed by other Macquarie Group undertakings[1]	**17,743,940**	11,678,876
Other financial market assets[2]	**31,941**	221,114
Other debtors	**-**	2,448,389
Total debtors	**17,775,881**	14,348,379

[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 during the year ended 31 March 2019 the rate applied ranged between LIBOR plus 1.46% and LIBOR plus 1.93% (2018: between LIBOR plus 1.36% and LIBOR plus 2.26%). The balance is presented net of the ECL provision of £22,208 (2018: £nil). Movement against prior year is £5,448 which is related to stage 1 provision.

[2]Other financial market assets include FX forward derivatives.

	2019 £	2018 £
Note 11. Deferred tax liabilities		
Financial instruments	**26,674**	31,119
Other provisions & accrued charges	**8,648,778**	5,947,219
Total deferred income tax liabilities	**8,675,451**	5,978,339
Reconciliation of the Company's movement in deferred tax liabilities:		
Balance at the beginning of the financial year	**5,978,339**	5,643,446
Temporary differences:		
Deferred tax charged to profit and loss account for the year	**3,014,419**	(4,969)
Effect of changes in tax rates in equity	**(317,830)**	(39,922)
Deferred tax charged to equity	**-**	379,261
Effect of changes in tax rates	**523**	523
Balance at the end of the financial year	**8,675,451**	5,978,339

Note 12. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to other Macquarie Group undertakings[1]	**17,746,513**	5,423,935
Other financial market liabilities[2]	**55,928**	18,817
Taxation	**145,861**	525,409
Total creditors	**17,948,302**	5,968,162

[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 other Macquarie Group undertakings at market rates and at 31 March 2019 the rate applied was LIBOR plus 2.41% (2018: LIBOR plus 2.73%).

[2] Other financial market liabilities represents derivative instruments.

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

	2019 £	2018 £
Amounts owed to other Macquarie Group undertakings[1]	**4,279,618**	16,333,799
Total creditors	**4,279,618**	16,333,799

[1] Amounts owed to other Macquarie Group undertaking are unsecured and have a maturity date of 6 February 2025. The Company incurs interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2019 the rate applied was LIBOR plus 2.41%. (2018: LIBOR plus 2.73%).

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

Note 14. Called up share capital and equity contribution from ultimate parent

	2019 Number of shares	2018 Number of shares	2019 £	2018 £
Called up share capital				
Opening balance of fully paid ordinary shares	**100**	100	**100**	100
Closing balance of shares	**100**	100	**100**	100

	2019 £	2018 £
Equity contribution from ultimate parent entity		
Opening balance of equity contribution from ultimate parent entity	**37,087,113**	37,087,113
Closing balance of equity contribution from parent entity	**37,087,113**	37,087,113

Note 15. Reserves and profit and loss account

	2019 £	2018 £
Available for sale reserve		
Balance at the beginning of the financial year	**29,036,423**	27,379,654
Revaluation movement, net of tax	**-**	1,656,769
Reclassification to profit and loss account on initial adoption of IFRS 9	**(29,036,423)**	-
Balance at the end of the financial year	**-**	29,036,423
Total other reserves	**-**	29,036,423

	2019 £	2018 £
Profit and loss account		
Balance at the beginning of the financial year	**(4,808,884)**	(7,751,955)
Change on initial application of IFRS 9 (Note 2 and Note 22)	**29,008,773**	-
Profit for the financial year	**16,295,412**	2,943,071
Balance at the end of the financial year	**40,495,301**	(4,808,884)

Note 16. Related party information

As 100% of the voting rights of the Company are controlled within the group headed by Macquarie Group Limited ("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 received dividend income from Macquarie Korea Infrastructure Fund in the amount of £5,351,834.

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

Details of holdings by subsidiary undertakings are as below:

Name of related party	Registered office	% ownership	Class of
Subsidiaries of Goonzaran Bluebell Leasing Limited			
Goonzaran Bluebell Funding Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary Shares
Subsidiaries of Goonzaran Bluebell Funding Limited			
The Bluebell Transportation LLP	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	1	Partnership Interest
The Goonzaran LLP	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	1	Partnership Interest

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

Note 16. Related party information (continued)

Name of related party	Registered office	% ownership	Class of shares
Subsidiaries of MEIF (UK) Limited			
Macquarie (Scotland) GP Limited	50 Lothian Road, Festival Square, Edinburgh Scotland EH3 9WJ	100	Ordinary Shares
Macquarie Infrastructure GP Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary Shares
Macquarie GP2 Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary Shares
Macquarie GP Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary Shares
Subsidiaries of Macquarie GP Limited			
The Bluebell Transportation LLP	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	99	Partnership Interest
The Goonzaran LLP	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	99	Partnership Interest
Subsidiaries of UK NPD Investments GP Limited			
UK NPD Investments LP	200 Aldersgate Street, London EC1A 4HD	99	Partnership Interest
Subsidiaries of UK PPP Investments GP Limited			
UK PPP Investments LP	730 Third Avenue, New York, New York, 1017, USA	99	Partnership Interest
Wigg (Holdings) Limited	5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ	100	Ordinary Shares
Subsidiaries of Wigg (Holdings) Limited			
Wigg Investments Limited	5 Market Yard Mews, 194-204, Bermondsey Street, London, United Kingdom, SE1 3TQ	100	Ordinary Shares
Subsidiaries of Wigg Investments Limited			
Merseylink (Holdings) Limited	Forward Point, Tan House Lane, Widnes, Cheshire, WA8 0RR, United Kingdom	38	Ordinary Shares
Subsidiaries of Merseylink (Holdings) Limited			
Merseylink (Finance) Limited	Forward Point, Tan House Lane, Widnes, Cheshire, WA8 0RR, United Kingdom	100	Ordinary Shares
Subsidiaries of Merseylink (Finance) Limited			
Merseylink (Issuer) PLC	Forward Point, Tan House Lane, Widnes, Cheshire, WA8 0RR, United Kingdom	100	Ordinary Shares
Merseylink Limited	Forward Point, Tan House Lane, Widnes, Cheshire, WA8 0RR, United Kingdom	100	Ordinary Shares

Note 17. Directors' emolument

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 of these duties would not be meaningful. Accordingly, no separate remuneration has been disclosed apart from where stated above.

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

Note 18. Contingent liabilities and commitments

The Company has no commitments or contingent liabilities which are individually material or a category of commitments or contingent liabilities which are material (2018: nil).

Note 19. Ultimate parent undertaking

At 31 March 2019, the immediate parent undertaking of the Company is Macquarie Corporate International Holdings Pty Limited.

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

Note 20. Derivative financial instruments

Certain derivative transactions may qualify as fair value hedges, if they meet the appropriate strict hedge criteria outlined in note 2(x). The Company uses derivatives to hedge its foreign exchange risk on its foreign currency denominated investments, which have been designated into a fair value hedging relationship.

Fair value hedges:

The fair value hedges comprise of foreign exchange forward contracts used to hedge against changes in the fair value of foreign denominated equity instruments as a result of movements in market foreign exchange rates.

As at 31 March 2019, the fair value of outstanding derivatives held by the Company and designated as fair value hedges was £23,928 negative value (2018: £221,114 positive value).

Note 21. Events after the reporting period

At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2019 not otherwise disclosed in this report.

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

Note 22. Changes on initial application of IFRS 9

New Accounting Standards and amendments to Accounting Standards and that are effective in the current financial year

Changes on initial application of IFRS 9

The table on the following page summarises the presentation and carrying amount changes in the carrying amounts in the Company's balance sheet as a result of the adoption of IFRS 9 as at 1 April 2018 and includes:

- a comparison of IAS 39's and IFRS 9's measurement categories
- the impact of the classification and measurement changes and the new ECL requirements on the Company's balance sheet.

	IAS 39 Measurement category	Carrying amount at 31 March 2018	Presentational changes	Revised presentation at 31 March 2018
		£	£	£
Fixed assets				
Investment in subsidiary	Non financial asset	943,957	-	943,957
Investment securities available for sale	Available for sale	74,302,715	(74,302,715)	-
Financial investments	FVTPL	-	74,302,715	74,302,715
Current assets				
Debtors	Amortised cost	14,348,379	-	14,348,379
Current liabilities				
Creditors: amounts falling due within one year	Amortised cost	(5,968,162)	-	(5,968,162)
Net current assets		8,380,218	-	8,380,218
Total assets less current liabilities		83,626,890	-	83,626,890
Deferred tax liabilities	Non financial liability	(5,978,339)	-	(5,978,339)
Creditors: amounts falling due after more than one year	Amortised cost	(16,333,799)	-	(16,333,799)
Net assets		61,314,752	-	61,314,752
Capital and reserves				
Called up share capital		100	-	100
Equity contribution from ultimate parent		37,087,113	-	37,087,113
Available for sale reserve		29,036,423	-	29,036,423
Profit and loss account		(4,808,884)	-	(4,808,884)
Total shareholders' funds		61,314,752	-	61,314,752

Notes to the financial statements (continued)
for the financial year ended 31 March 2019

Note 22. Changes on initial application of IFRS 9 (continued)

New Accounting Standards and amendments to Accounting Standards and that are effective in the current financial year

Changes on initial application of IFRS 9 (continued)

	IFRS 9 remeasurement					
	Classification change	Due to expected credit losses	Tax impact	Net impact	Carrying amount at 1 April 2018 after IFRS9 transition	IFRS 9 Measurement categories
	£	£	£	£	£	£
Fixed assets						
Investment in subsidiary	-	-	-	-	943,957	Non financial asset
Investment securities available for sale	-	-	-	-	-	
Financial investments	-	-	-	-	74,302,715	FVTPL
Current assets						
Debtors	-	(27,656)	6	(27,650)	14,320,729	Amortised cost
Current liabilities						
Creditors: amounts falling due within one year	-	-	-	-	(5,968,162)	Amortised cost
Net current assets	-	(27,656)	6	(27,650)	8,352,568	
Total assets less current liabilities	-	(27,656)	6	(27,650)	83,599,240	
Deferred tax liabilities	-	-	-	-	(5,978,339)	Non financial liability
Creditors: amounts falling due after more than one year	-	-	-	-	(16,333,799)	Amortised cost
Net assets	-	(27,656)	6	(27,650)	61,287,102	-
Capital and reserves						
Called up share capital	-	-	-	-	100	
Equity contribution from ultimate parent	-	-	-	-	37,087,113	
Available for sale reserve	(34,983,643)	-	5,947,220	(29,036,423)	(0)	
Profit and loss account	34,983,643	(27,656)	(5,947,213)	29,008,773	24,199,889	
Total shareholders' funds	-	(27,656)	6	(27,650)	61,287,102	