MACQUARIE GROUP INVESTMENTS (UK) NO.2 LIMITED

COMPANY NUMBER 07438584

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 Group Investments (UK) No.2 Limited

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

In accordance with a resolution of the Directors (the "Directors") of Macquarie Group Investments (UK) No.2 Limited (the "Company"), the Directors submit herewith the Strategic Report of the Company as follows:

Principal activities
The principal activities of the Company during the financial year ended 31 March 2019 were to carry on the business of finance and investment.

Review of operations
The profit for the financial year ended 31 March 2019 was $28,179,816, a decrease of 83 per cent from profit of $164,839,509 in the previous year.

Net operating income for the financial year ended 31 March 2019 was $35,818,533, a decrease of 79 per cent from $173,462,642 in the previous year.

Administrative expenses for the financial year ended 31 March 2019 were $51,435, an increase of 16 per cent from $44,273 in the previous year.

As at 31 March 2019, the Company had net assets of $910,555,037 (2018: $883,709,983).

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 MGL's financial statements and can be obtained from the address given in Note 19.

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

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

Credit risk
Credit exposures, approvals and limits are controlled within the Macquarie Group's credit risk framework, as established by RMG.

Strategic Report (continued)

for the financial year ended 31 March 2019

Financial risk management (continued)

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.

The Company is exposed to market risk through its facilitation and market making activities. 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. In addition, the Directors have approved RMG imposed cash limits on positions taken by the Equity Markets business.

Interest rate risk
The Company 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 and external parties, 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 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

Robert Thompson
Director
31 December 2019

Directors' Report
for the financial year ended 31 March 2019

In accordance with a resolution of the Directors of Macquarie Group Investments (UK) No.2 Limited (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:

K Burgess
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 $28,179,816 (2018: $164,839,509).

Dividends

No dividends were paid or provided for during the current financial year (2018: $38,600,000). No final dividend has been proposed.

State of affairs

On 2 November 2018, the Company incorporated 100% of the share capital of Macquarie Transportation Finance Limited by subscribing two shares ($1 per share).

On 10 December 2018, the Company aquired an additional 300,000,000 shares ($1 per share) in Macquarie Transportation Finance Limited.

On 5 March 2019, the Company acquried an additional 4,900,000 shares ($1 per share) in Macquarie Transportation Finance Limited.

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

Events after the reporting year

On 10 October 2019, the Company entered into a loan payable to Macquarie Group Investments (UK) No.1 Limited with a principal amount of $1,196,954,665 and a maturity date of 11 October 2022.

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

Directors' Report (continued)

for the financial year ended 31 March 2019

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.

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 regulations.

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

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

- select suitable accounting policies and 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 the 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. They 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

Robert Thompson
Director
31 December 2019

Independent Auditors' Report to the members of Macquarie Group Investments (UK) No.2 Limited

Report on the audit of the financial statements

Opinion

In our opinion, Macquarie Group Investments (UK) No.2 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 and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

Independent Auditors' Report to the members of Macquarie Group Investments (UK) No.2 Limited (continued)

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.

Independent Auditors' Report to the members of Macquarie Group Investments (UK) No.2 Limited (continued)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

31 December 2019

Financial Statements

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

	Note	2019[1] $	2018 $
Administrative expenses	3	**(51,435)**	(44,273)
Other operating expense	3	**(2,514,613)**	(4,600)
Operating loss		**(2,566,048)**	(48,873)
Realised gain on other financial assets	3	**-**	128,077,730
Interest receivable and similar income	4	**57,750,445**	46,337,226
Interest payable and similar charges	5	**(19,365,864)**	(903,441)
Profit on ordinary activities before taxation		**35,818,533**	173,462,642
Tax on profit on ordinary activities	6	**(7,638,717)**	(8,623,133)
Profit for the financial year		**28,179,816**	164,839,509

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 2019 financial results reflect the adoption of IFRS 9 – *Financial Instruments* ("IFRS 9") and IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15") on 1 April 2018. As permitted by IFRS 9 and IFRS 15, 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 and IFRS 15.

Profit on ordinary activities before taxation relate wholly to continuing operations.

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

	Note	2019[1] $	2018 $
Profit after tax for the financial year		**28,179,816**	164,839,509
Other comprehensive income:			
Items that may be reclassified to profit and loss:			
Available for sale investments, net of tax	15	-	608,337
Total other comprehensive income		-	608,337
Total comprehensive income		**28,179,816**	165,447,846
Total comprehensive income attributable to ordinary equity holders of the Company		**28,179,816**	165,447,846

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") and IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15") on 1 April 2018. As permitted by IFRS 9 and IFRS 15, 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 and IFRS 15.

Balance sheet
as at 31 March 2019

	Note	2019[1] $	2018 $
Fixed assets			
Investments in subsidiaries	11	**511,742,595**	206,841,594
Loan assets[2]	8	**897,978,047**	409,070,481
Current assets			
Debtors	12	**1,027,791,823**	258,390,731
Financial investments[2]	10	**26,410,947**	9,540,541
Current liabilities			
Deferred tax liabilities	6	**(305,463)**	(133,364)
Creditors: amounts falling due within one year	13	**(1,553,062,912)**	-
Net current (liabilities)/assets		**(499,165,605)**	267,797,908
Total assets less current liabilities		**910,555,037**	883,709,983
Net assets		**910,555,037**	883,709,983
Capital and reserves			
Called up share capital	14	**679,344,740**	679,344,740
Share premium account	14	**6,153,846**	6,153,846
Equity contribution from ultimate parent	14	**5,415,385**	5,415,385
Other reserves	15	**-**	608,337
Profit and loss account	15	**219,641,066**	192,187,675
Total shareholders' funds		**910,555,037**	883,709,983

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") and IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15") on 1 April 2018. As permitted by IFRS 9 and IFRS 15, 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 and IFRS 15.

[2] The investment for securities available for sale in the prior year has been represented in financial investments. The loans to group undertakings in the prior year has been represented in loan assets.

The financial statements on pages 9 to 27 were authorised for issue by the Board of Directors on 31 December 2019 and were signed on its behalf by:

Robert Thompson
Director

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

	Note	Called up share capital $	Share premium account $	Equity contribution from ultimate parent $	Other reserves $	Profit and loss account $	Total shareholders' funds $
Balance at 1 April 2017		**679,344,740**	**6,153,846**	**5,415,385**	**-**	**65,948,166**	**756,862,137**
Profit for the financial year		-	-	-	-	164,839,509	164,839,509
Other comprehensive income, net of tax	15	-	-	-	608,337	-	608,337
Total comprehensive income		-	-	-	608,337	164,839,509	165,447,846
Dividends paid	7,15	-	-	-	-	(38,600,000)	(38,600,000)
Balance at 31 March 2018		**679,344,740**	**6,153,846**	**5,415,385**	**608,337**	**192,187,675**	**883,709,983**
Change on initial application of IFRS 9[1]		-	-	-	(608,337)	(726,425)	(1,334,762)
Restated balance at 01 April 2018		**679,344,740**	**6,153,846**	**5,415,385**	**-**	**191,461,250**	**882,375,221**
Profit for the financial year		-	-	-	-	28,179,816	28,179,816
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	28,179,816	28,179,816
Balance at 31 March 2019		**679,344,740**	**6,153,846**	**5,415,385**	**-**	**219,641,066**	**910,555,037**

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") and IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15") on 1 April 2018. As permitted by IFRS 9 and IFRS 15, 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 and IFRS 15.

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 in accordance with the Companies Act 2006 and under the historical cost convention except for financial instruments (including derivatives) required to be measured at fair value through profit or loss ("FVTPL"), financial assets classified as fair value through other comprehensive income ("FVOCI") and financial instruments that are designated as FVTPL ("DFVTPL").

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 Macquarie Group Limited ("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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- 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 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).
- 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 7 'Statement of Cash Flows'.
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f), and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127, and 129 of IFRS 15 Revenue from Contracts with Customers.

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

Note 2. Summary of significant accounting policies (continued)

i) Basis of preparation (continued)

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 determining the appropriate business model for a group of financial assets and assessing whether the cash flows generated by an asset constitute solely payment of principal and interest ("SPPI");
- judgement in measurement of Expected Credit Loss ("ECL") including the choice of inputs, estimates and assumptions relating to information about past events, current conditions, and forecasts of economic conditions (Note 2(viii));
- judgements regarding the identification of indicators of impairment in investment in subsidiaries (Note 2(viii));
- estimates in the measurement of the recoverable amount of investments in Macquarie Transportation Finance Limited, Macquarie Infrastructure Partners II GP LLC, and Macquarie Commodities Trading (Ireland) Limited showing indicators of impairment (Note 2(viii));
- impairment of loan assets held at amortised cost (Notes 2(viii) and 8);
- judgements in the recoverability of tax receivables, deferred tax assets and measurement of current and deferred tax liabilities (Notes 2(vi) and 6).

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

Management believes that the estimates used in preparing 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 management's assumptions and estimates could require an adjustment to the carrying amounts of the reported assets and liabilities.

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 IFRS 9, the Company has not restated its comparative financial statements and has recorded a transition adjustment to its opening balance sheet, other reserves and profit and loss account at 1 April 2018 to reflect the impact of the adoption of IFRS 9 requirements.

The transition adjustment did not have a material impact and resulted in a reduction of the Company's Profit and Loss Account within Shareholders' Funds by $1,334,762 due to the implementation of Expected Credit Losses ("ECL") requirements. The amount in Other Reserves of $608,337 within Shareholders' Funds was also reclassified to the Profit and Loss Account.

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.

The adoption of the classification and measurement requirements of the standard did not result in significant measurement differences when compared to those under IAS 39.

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

Note 2. Summary of significant accounting policies (continued)

i) Basis of preparation (continued)

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 identification of discrete performance obligations within a transaction and an associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of the goods or services are transferred to the customer.

The Company adopted IFRS 15 *Revenue from Contracts with Customers* on 1 April 2018. No adjustment to opening retained earnings were made as the amendments to accounting policy did not result in significant changes to the timing or amount of revenue recognised at 31 March 2019.

The key changes in significant accounting policies from the transition to IFRS 15 are included within the relevant sections of this note. Accounting policies applicable to the prior financial year have also been provided in Italics in relevant sections for comparability.

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

iii) Deficiency of net current assets
The Directors of the Company have prepared the financial statements on a going concern basis despite there being an excess of current liabilities over current assets at 31 March 2019. On 10 October 2019, the Company entered into a loan payable to Macquarie Group Investments (UK) No.1 Limited with a principal amount of $1,196,954,665 and a maturity date of 11 October 2022. As at the date of approval of the financial statements, the Company is in a net current asset position.

iv) Foreign currency translations
Functional and presentation currency
The functional currency of the Company is determined as the currency of the primary economic environment in which the Company operates (the functional currency). The Company's financial statements are presented in 'US Dollars' ($), which is also the Company's functional currency.

Transaction 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.

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.

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

Note 2. Summary of significant accounting policies (continued)

v) 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 interest expense is recognised using the effective interest rate ("EIR") method for financial assets, and liabilities carried at amortised cost. The EIR method calculates the amortised cost of a financial instrument at a rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

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

The calculation of EIR does not include ECL, except for financial assets which on initial recognition are classified as purchased or originated credit-impaired ("POCI"). Interest income on these assets is determined using a credit-adjusted EIR by discounting the estimated future cash receipts, including credit losses expected at initial recognition, through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest income on financial assets that are not classified as POCI but are subsequently classified as credit-impaired, is recognised by applying the EIR to the amortised cost carrying value (being the gross carrying value after deducting the impairment loss).

Prior to the adoption of IFRS 9, interest income on financial assets that were measured at amortised cost (being loans and receivables and held to maturity financial assets), was recognised in accordance with the EIR method. There was no specified accounting treatment under IAS 39 for financial assets that are now classified as POCI. These assets were accounted for on a consistent basis as other financial assets that were measured at amortised cost.

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.

Dividends and distributions

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

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.

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

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 against which to utilise those temporary differences or tax losses. Deferred tax liabilities are recognised when such temporary differences give rise to taxable amounts that are payable in future periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered, or the liabilities are settled under enacted or substantively enacted tax law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when there is a legally enforceable right to offset and an intention to either settle on a net basis or realise the asset and settle the liability simultaneously.

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

The Company undertakes transactions in the ordinary course of business where the income tax treatment requires the exercise of judgement. The Company estimates the amount expected to be paid to/(recovered from) tax authorities based on its understanding of the law.

vii) Investments

With the exception of derivatives which are classified separately on the balance sheet, the remaining investments in other financial assets are classified as loans and receivables, FVTPL, and investments in subsidiaries. The classification depends on the purpose for which the financial asset was acquired, which is determined at initial recognition and is re-evaluated at each balance date.

Financial investments

Investment securities in this category include investments in equity securities which are not actively traded by the Company. These investment securities are subsequently measured at fair value through profit and loss in accordance with the Company's accounting policy for financial instruments.

Investment in subsidiaries

Subsidiaries are all those entities (including structured entities) over which the Company has the power to direct the relevant activities of the entity, exposure to significant variable returns, and the ability to utilise power to affect the Company's own returns. The determination of control is based on current facts and circumstances and is continuously assessed.

The Company has power over an entity when it has existing substantive rights that give it the current ability to direct the entity's relevant activities. Relevant activities are those activities that significantly affect the entity's returns. The Company evaluates whether it has the power to direct the relevant activities. The Company also considers the entity's purpose and design. If the Company determines that it has power over an entity, the Company then evaluates whether it has exposure or rights to variable returns that, in aggregate, are significant. All variable returns are considered, including, but not limited to, debt or equity investments, guarantees, liquidity arrangements, variable fees, and certain derivative contracts.

Subsidiaries held by the Company are carried in its financial statements at cost less impairment in accordance with IAS 27 *Separate Financial Statements*.

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

Note 2. Summary of significant accounting policies (continued)

(viii) 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.

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.

Modification of financial instruments

A financial instrument is modified when its original contractual cash flows are renegotiated or modified. A financial instrument that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the existing terms are modified such that the renegotiated financial instrument is a substantially different financial instrument. Where the modification results in de-recognition of the original financial instrument, the new financial instrument is recorded initially at its fair value and the resulting difference is recorded in other income.

For financial instruments measured at amortised cost, when the modification does not result in derecognition, a gain or loss is recognised in other income as the difference between the financial instrument's original contractual cash flows and the modified cash flows discounted at the original EIR.

Classification and subsequent measurement

Financial assets

Financial assets are classified based on the business model within which the asset is held and on the basis of the financial asset's contractual cash flow characteristics.

Business model assessment

The Company determines the business model at the level that reflects how groups of financial assets are managed. In determining the business model, all relevant evidence that is available at the date of the assessment is used including:

i. how the performance of the financial assets held within that business model is evaluated and reported to the Macquarie Group's 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;

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 its financial assets.

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

Note 2. Summary of significant accounting policies (continued)

(viii) Financial instruments (continued)

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 subsequently measured at amortised cost using the EIR method if 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;

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements;

(iii) the financial asset has not been designated to be measured at FVTPL.

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 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.

The interest component of financial assets that are classified as FVTPL are recognised in interest income.

Equity financial assets are measured at FVTPL unless the Company irrevocably elects to present subsequent changes in the fair value in OCI. This election is made on an individual instrument basis and upon realisation of the equity instrument, the fair value gain or loss is transferred from OCI directly to retained earnings. The Company has not made this election for its equity instruments.

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.

Prior to the adoption of IFRS 9, the Company's financial assets were classified into the following categories:

- *Loans and receivables: being receivables and amounts due from subsidiaries that were non-derivative financial assets with fixed or determinable payments and that were not quoted in an active market. The measurement and recognition of gains and losses of such assets aligns with that for financial assets classified as at amortised cost in terms of IFRS 9.*
- *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 Other Comprehensive Income ("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.*
- *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*

Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

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.

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

Note 2. Summary of significant accounting policies (continued)

ix) Impairment

Expected credit losses ("ECL")

The ECL requirements apply to financial assets measured at amortised cost and amounts receivable from contracts with customers. 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 (continued)
for the financial year ended 31 March 2019

Note 2. Summary of significant accounting policies (continued)

ix) 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:
i. Debtors and loan assets measured at amortised cost – as a deduction to the gross carrying amount;
ii. Undrawn credit commitments – as a provision included in other liabilities.

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

Prior to the adoption of IFRS 9, credit impairment provisions were recognised on an incurred loss basis. Key differences included:

- *an impairment loss was recorded where there was objective evidence of impairment as a result of one or more events (loss event) which had an impact on the estimated future cash flows of the financial asset that could be reliably estimated*
- *where the credit risk of an exposure had deteriorated but there was no objective evidence of impairment, no credit impairment was required to be recognised*
- *forward looking or macroeconomic information was not required to be incorporated into the determination of the credit impairment loss*
- *credit impairments were only required to be recognised for on-balance sheet exposures.*

Credit impairments were calculated on the basis of the difference between the exposure's carrying value and the present value of expected future cash flows, discounted using the original EIR.

(v) 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.

x) Cash at bank

Cash at bank comprises cash balances and call deposits with qualifying financial institutions. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or period of notice of not more than 24 hours or one working day has been agreed.

xi) Offsetting financial assets and liabilities

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 there is an intention to either settle on a net basis or realise the financial asset and settle the financial liability simultaneously.

xii) Called up share capital

Ordinary shares and other similar instruments are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

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

	2019 $	2018 $
Note 3. Profit on ordinary activities before taxation		
Profit on ordinary activities before taxation is stated after (crediting)/charging:		
Realised gain on other financial assets	-	(128,077,730)
Other operating income	(1,106,190)	-
Credit impairment charges[1]	3,620,803	-
Foreign exchange losses	-	4,600
Charges from other Macquarie Group undertakings	2,120	3,358
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	49,315	40,915

[1] The change in expected credit losses relating to financial assets under IFRS 9 is recorded under Credit impairment charges. Individual and collective provisions for March 2018 remain in accordance with IAS 39 and have not been restated.

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

Note 4. Interest receivable and similar income

	2019 $	2018 $
Interest receivable from other Macquarie Group undertakings	57,750,445	46,337,226
Total interest receivable and similar income	57,750,445	46,337,226

Note 5. Interest payable and similar charges

	2019 $	2018 $
Interest payable to other Macquarie Group undertakings	19,365,864	903,441
Total interest payable and similar charges	19,365,864	903,441

Note 6. Taxation
i) Tax expense included in profit

	2019 $	2018 $
Current tax		
UK corporation tax at 19% (2018: 19%)	(7,301,126)	(8,623,133)
Adjustments to tax in respect of prior years	(165,492)	-
Foreign tax suffered	(1,315,401)	(3,600,046)
Double tax relief	1,315,401	3,600,046
Total current tax	(7,466,618)	(8,623,133)
Deferred tax		
Origination and reversal of temporary differences	(192,347)	-
Effect of changes in tax rates	20,248	-
Total deferred tax	(172,099)	-
Total tax on profit on ordinary activities	(7,638,717)	(8,623,133)

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

	2019 $	2018 $

Note 6. Taxation (continued)

ii) Reconciliation of effective tax rate

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

	2019 $	2018 $
Profit before taxation	**35,818,533**	173,462,642
Current tax charge at 19% (2018: 19%)	**(6,805,521)**	(32,957,902)
Effects of:		
Adjustment in respect of prior years	**(165,492)**	-
Non deductible expenses	**(687,952)**	-
Foreign tax suffered	**(1,315,401)**	(3,600,046)
Deduction for foreign tax suffered	**1,315,401**	3,600,046
Non-assessable income	-	24,334,769
Effect of changes in tax rates	**20,248**	-
Total tax on profit on ordinary activities	**(7,638,717)**	(8,623,133)

The UK corporation tax rate was reduced from 20% to 19% with effect from 1 April 2017, and will further reduce to 17% from 1 April 2020.

(iii) Deferred tax comprises timing differences attributable to:

Deferred tax liabilities	2019 $	2018 $
Other Liabilities	**(305,463)**	-
Tax effects of available for sale reserves	-	(133,364)
Total deferred tax liabilities	**(305,463)**	(133,364)

(iv) Reconciliation of the Company's movement in deferred tax:

	2019 $	2018 $
Balance at the beginning of the financial year	**(133,364)**	-
Temporary differences:		
Deferred tax charged to income statement for the period	**(192,347)**	-
Effect of changes in tax rates	**20,248**	-
Deferred tax charged to equity	-	(133,364)
Balance at the end of the financial year	**(305,463)**	(133,364)

Note 7. Dividends

Dividends paid

	2019 $	2018 $
Dividends paid 2018: ($0.04 per share)	-	38,600,000
Total dividends paid (Note 15)	-	38,600,000

Note 8. Loan assets

	2019 $	2018 $
Amounts owed by other Macquarie Group undertakings	**897,978,047**	409,070,481[1]
Total loan assets	**897,978,047**	409,070,481

[1] On 27 November 2010, a loan of US$147.4m was advanced to Macquarie Holdings (U.S.A.) Inc. ("MHUSA") with a maturity period of 30 years at a fixed rate of interest of 9.059% per annum. On 2 December 2010, another loan of US$250m was advanced to Macquarie Trading Services Inc with a maturity period of 30 years at a fixed rate of interest of 9.059% per annum. Both loans allowed for the borrowers to repay in whole or in part, at anytime prior to maturity. The carrying value of the loans were approximately equal to their fair value. On 20 July 2018, the loans were repaid in full.

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

	2019 $	2018 $
Note 9. Investments		
Financial Investments (Note 10)	**26,410,947**	9,540,541
Investments in subsidiaries (Note 11)	**511,742,595**	206,841,594
Total investments	**538,153,542**	216,382,135
Note 10. Financial Investments		
Equity securities:		
Unlisted	**26,410,947**	9,540,541
Total financial investments	**26,410,947**	9,540,541

Note 11. Investments in subsidiaries

	2019 $	2018 $
Investments at cost without provisions for impairment	**511,742,595**	206,841,594
Total investments in subsidiaries	**511,742,595**	206,841,594

Name of investment	Nature of business	Country of incorporation	% ownership	2019 $	2018 $
Controlled entity:					
Macquarie Transportation Finance Limited	UK holding company	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100%	**304,900,002**	-
Macquarie Infrastructure Partners II GP LLC	General partner of MIP II, private equity investment fund	125 West 55 Street, New York, NY 10019, United States	100%	**206,841,593**	206,841,593
Macquarie Commodities Trading (Ireland) Limited	Importer of physical oil and oil products	1 Burlington Road, Dublin 4, D04 C5Y6, Ireland	100%	**1,000**	1
Total investments in subsidiaries				**511,742,595**	206,841,594

Name of investment	Class of shares	2019 Number of shares	2018 Number of shares	2019 % held	2018 % held
Macquarie Transportation Finance Limited	Ordinary shares	**304,900,002**	-	**100.0**	-
Macquarie Infrastructure Partners II GP LLC	Membership Units	**21,841,693**	21,841,693	**100.0**	100.0
Macquarie Commodities Trading (Ireland) Limited	Ordinary shares	**1**	1	**100.0**	100.0

The nominal value of each of the above classes of share is USD 1 each.

The Directors believe that the carrying value of the investment is supported by its recoverable value.

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

	2019 $	2018 $
Note 12. Debtors		
Amounts owed by other Macquarie Group undertakings[1]	**1,026,698,347**	254,495,263
Other debtors	**1,093,476**	3,895,468
Total debtors	**1,027,791,823**	258,390,731

[1]In the amounts owed by other Macquarie Group undertakings the amount of $745,393,805 has a fixed date of repayment within the next twelve months, and the remaining balance is unsecured with no fixed date of repayment. The Company derives interest on intercompany loans to group undertaking at market rates and at 31 March 2019 the rate applied was between LIBOR plus 1.46% and LIBOR plus 2.41% (2018: LIBOR plus 2.26%).

At the reporting date, amounts owed from other Macquarie Group undertakings has ECL allowance of $4,716,300 (2018: $nil) which is net presented against the gross carrying amount.

Note 13. Creditors: amounts falling due within one year

	2019 $	2018 $
Amounts owed to other Macquarie Group undertakings[1]	**1,547,077,170**	-
Taxation	**5,985,742**	-
Total creditors: amounts falling due within one year	**1,553,062,912**	-

[1]In the amounts owed to other Macquarie Group undertakings the amount of $1,546,887,209 has a fixed date of repayment within the next twelve months, and the remaining balance is unsecured with no fixed date of repayment. The Company incurred interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2019 the rate applied was LIBOR plus 1.46%.

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

	2019 Number of shares	2018 Number of shares	2019 $	2018 $
Called up share capital				
Opening balance of fully paid ordinary shares	**1,061,476,156**	1,061,476,156	**679,344,740**	679,344,740
Closing balance of fully paid ordinary shares	**1,061,476,156**	1,061,476,156	**679,344,740**	679,344,740
Share premium account				
Opening balance of share premium account			**6,153,846**	6,153,846
Additional share premium			**-**	-
Closing balance of share premium reserve			**6,153,846**	6,153,846
Equity contribution from parent				
Opening balance of equity contribution from parent			**5,415,385**	5,415,385
Additional contribution			**-**	-
Total equity contribution from parent entity			**5,415,385**	5,415,385

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

	2019 $	2018 $
Note 15. Other reserves and profit and loss account		
Other reserves - Available for sale reserve		
Balance at the beginning of the financial year	**608,337**	-
Reclassification to profit and loss account on initial adoption of IFRS 9	**(608,337)**	-
Revaluation movement for the financial year, net of tax	**-**	608,337
Balance at the end of the financial year	**-**	608,337
Total reserves at the end of the financial year	**-**	608,337
Profit and loss account		
Balance at the beginning of the financial year	**192,187,675**	65,948,166
Change on initial application of IFRS 9 (Note 2)	**(726,425)**	-
Restated balance at the beginning of the financial year	**191,461,250**	65,948,166
Profit attributable to ordinary equity holders of the Company	**28,179,816**	164,839,509
Dividends paid (Note 7)	**-**	(38,600,000)
Balance at the end of the financial year	**219,641,066**	192,187,675

Note 16. Related party information

As 100% of the voting rights of the Company are controlled within the group headed by MGL, incorporated in Australia, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the Macquarie Group. The consolidated financial statements of MGL, within which the Company is included, can be obtained from the address given in Note 19.

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

Details of holdings by related undertakings are as below:

Name of related party	Registered office	% of ownership	Class of shares
Subsidiaries of Macquarie Transportation Finance Limited:			
Macquarie AirFinance Group Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary shares
Macquarie Rotorcraft Leasing Holdings Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary shares
Macquarie Rotorcraft Leasing Services (Hong Kong) Limited	Level 18, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong	100	Ordinary shares
Macquarie Rotorcraft Leasing Services (Ireland) Limited	1st Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland	100	Ordinary shares
Macquarie Rotorcraft Leasing Services (UK) Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary shares

Note 17. Directors' remuneration

During the financial years ended 31 March 2019 and 31 March 2018, all Directors were employed by and received all emoluments from other Macquarie Group undertakings. The Directors perform Directors' duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation accurately across all these duties would not be meaningful. Accordingly, no separate remuneration has been disclosed.

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

Note 18. Contingent liabilities and commitments

As at 31 March 2019, the Company has an undrawn commitment of $25.8m (2018: $41.2m) to invest as a Limited Partner into Macquarie Asia Infrastructure Fund 2 LP.

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

Note 19. Ultimate parent undertaking

At 31 March 2019, the Company is 58% owned by Macquarie Corporate Holdings Pty Limited and 42% owned by Macquarie Group Investments (UK) No.1 Limited.

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

Note 20. Events after the reporting period

On 10 October 2019, the Company entered into a loan payable to Macquarie Group Investments (UK) No.1 Limited with a principal amount of $1,196,954,665 and a maturity date of 11 October 2022.

There were no other material events subsequent to 31 March 2019 that have not been reflected in the financial statements.