MACQUARIE EUROPEAN INVESTMENT HOLDINGS LIMITED

COMPANY NUMBER 06146573

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

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 European Investment Holdings Limited (the "Company"), the Directors submit herewith the Strategic Report of the Company as follows:

Principal activities
The Company operates as an investment holding company and is a 100% owned subsidiary of Macquarie Principal Finance UK Limited, an entity incorporated in England and Wales.

Review of operations
The profit for the financial year ended 31 March 2019 was £152,528,445, a significant increase from profit of £9,868,761 in the previous year.

Net operating income for the year ended 31 March 2019 was £149,358,624, a significant increase from the operating income of £3,126,248 in the previous year.

Total administrative expenses for the year ended 31 March 2019 was £28,522,716, a significant increase from £798,202 in the previous year.

As at 31 March 2019, the Company had net assets of £287,226,646 (2018: £287,022,945).

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 20.

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, market 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 framework, as established by RMG.

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

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.

Market risk

The Company is exposed to market risk through its investing 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 cash balances and receivables from other Macquarie Group undertakings and external parties, all of which earn a variable rate of interest. Interest bearing liabilities include payables to other Macquarie Group undertakings which also incur a variable rate of interest.

Foreign exchange risk

The Company has foreign exchange exposures which include amounts receivable from and payable to other Macquarie Group undertakings 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

Abigail Nottingham

Director

24th December 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:

K Burgess	(resigned on 18 December 2019)
H Jones	
A Lilley	
A Nottingham	(appointed on 18 December 2019)

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 £152,528,445 (2018: £9,868,761).

Dividends paid

Interim dividends of £151,954,616 (2018: £24,000,000) were paid or provided for during the current financial year. No other dividend has been proposed.

State of affairs

On 25 May 2018, the Company received £192,160,018 due to repayment of its long-term loan from Macquarie Aircraft Leasing Limited.

On 1 June 2018, the Company acquired 100% of shares of Mitochon Limited.

On 1 June 2018 and 2 July 2018, the Company acquired an additional 1,000,000 and 700,000 shares respectively at £1 per share in its wholly owned subsidiary, Sonne Solar Limited.

On 6 July 2018, the Company purchased a minority equity stake in ParkingEye Limited.

On 27 September 2018, the Company received a 10,000,000 EUR dividend from Macquarie Euro Limited and subsequently paid a dividend of £18,954,616 to Macquarie Investments (UK) Limited ("MACI").

On 2 October 2018, the Company sold the entirety of its shareholding of Energetics Topco Limited.

On 22 November 2018, the Company paid an interim dividend of £133m to its sole shareholder MACI.

On 23 November 2018, the Company disposed of 100% of its shareholding of Macquarie Structured Securities (Europe) Public Limited Company to MACI.

On 23 November 2018, the Company disposed of 100% of its shareholding of Macquarie France SARL to MACI.

On 27 November 2018, the Company disposed of 100% of its shareholding of Macquarie Denmark Limited A/S to MACI.

On 29 November 2018, the Company disposed of 100% of its shareholding of Macquarie Distribution Finance Limited to MACI.

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

State of affairs (continued)
On 5 December 2018, the Company disposed of 100% of its shareholding of Macquarie Investments Deutschland GmbH and Macquarie Structured Products (Europe) GmbH to MACI.

On 10 December 2018, the Company acquired 100% of the shares in L2 B.V.

On 11 December 2018, the Company acquired 100% of the shares in Cheeryble Developments Limited.

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

Events after the reporting period
On 22 May 2019, the Company acquired 100% of the shares in Bernard Topco Limited.

On 20 June 2019, the Company acquired 100% interest in Sonne (Italy) Holdings Limited.

On 10 July 2019, the Company acquired 1.4m EUR of shares in Sonne (Italy) Holdings Limited.

On 9 August 2019, the Company issued a non-interest bearing loan of £135m to Bernard Topco Limited.

On 13 September 2019, the Company received £31.5m partial repayment of the non-interest bearing loans in Bernard Topco Limited.

On 22 October 2019, the Company acquired 100% of the shares in Tornado Acquisitions Topco Limited.

On 1 November 2019, the Company acquired preference shares of £4.8m and interest bearing loan note of £14.2m in Tornado Acquisitions Topco Limited. Simultaneously, the Company's interest in shares fell to 51%.

On 14 November 2019, the Company converted £86.5m of non-interest bearing loans in Bernard Topco Limited into common shares.

On 15 November 2019, the Company received a £17m partial repayment of the non-interest bearing loan in Bernard Topco Limited.

On 22 November 2019, the Company discharged Nasu Energy Storage Limited from existing liabilities, obligations and claims amounting to £1.2m.

On 1 December 2019, the Company issued an interest bearing loan note of £0.3m to Tornado Acquisitions Topco Limited.

On 19 December 2019, the Company's 100% owned subsidiary NASU Energy Storage Limited entered into a voluntary strike-off.

On 19 December, the Company acquired 100% of the shares of Gordon Topco Limited.

On 20 December 2019, the Company acquired a minority interest holding in Isabella Property Holdings Ltd.

At the time of this report, the Company owns 60.5% of the common shares issued by Bernard Topco Limited.

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.

Directors' Report

for the financial year ended 31 March 2019 (continued)

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, market 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.

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 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

Abigail Nottingham
Director
24th December 2019

Independent auditors' report to the members of Macquarie European Investment Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Macquarie European Investment 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 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.

Independent auditors' report to the members of Macquarie European Investment Holdings Limited (continued)

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 and 6, 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 European Investment Holdings 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 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
24 December 2019

Financial Statements

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

	Note	2019 [1] £	2018 £
Turnover	3	**8,919,345**	3,924,450
Administrative expenses		**(28,522,716)**	(798,202)
Other operating income	3	**168,961,995**	-
Operating profit		**149,358,624**	3,126,248
Interest receivable and similar income	4	**9,754,178**	19,798,007
Interest payable and similar charges	5	**(5,499,885)**	(11,837,568)
Other (losses)/gains	3	**(219,067)**	140,392
Profit on ordinary activities before taxation		**153,393,850**	11,227,079
Tax on profit on ordinary activities	6	**(865,405)**	(1,358,318)
Profit for the financial year	15	**152,528,445**	9,868,761

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. The effect of the adoption of these standards is explained in Note 2.

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

There were no other comprehensive income and expenses other than those included in the results above and therefore no separate statement of comprehensive income has been presented.

Balance sheet
as at 31 March 2019

	Note	2019 [1] £	2018 £
Fixed assets			
Investments	8	**298,159,183**	406,916,038
Current assets			
Derivative asset	19	**1,964,297**	-
Debtors	11	**50,476,324**	299,246,018
Creditors: amounts falling due within one year	12	**(63,373,158)**	(351,240,128)
Net current liabilities		**(10,932,537)**	(51,994,110)
Total assets less current liabilities		**287,226,646**	354,921,928
Creditors: amounts falling due after more than one year	13	**-**	(67,898,983)
Net assets		**287,226,646**	287,022,945
Capital and reserves			
Called up share capital	14	**270,314,750**	270,314,750
Profit and loss account	15	**16,911,896**	16,708,195
Total shareholders' funds		**287,226,646**	287,022,945

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. The effect of the adoption of these standards is explained in Note 2.

The financial statements on pages 10 to 25 were authorised for issue by the Board of Directors on 24 December 2019 and were signed on its behalf by:

Abigail Nottingham
Director

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

	Note	Called up share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 April 2017		270,314,750	30,839,434	301,154,184
Profit for the financial year	15	-	9,868,761	9,868,761
Total comprehensive income		-	9,868,761	9,868,761
Transactions with equity holders in their capacity as ordinary equity holders:				
Dividends paid	7	-	(24,000,000)	(24,000,000)
Balance at 31 March 2018		270,314,750	16,708,195	287,022,945
Change on initial application of IFRS 9[1]	2	-	(370,128)	(370,128)
Restated balance at 1 April 2018		270,314,750	16,338,067	286,652,817
Profit for the financial year	15	-	152,528,445	152,528,445
Total comprehensive income		-	152,528,445	152,528,445
Transactions with equity holders in their capacity as ordinary equity holders:				
Dividends paid	7	-	(151,954,616)	(151,954,616)
Balance at 31 March 2019		270,314,750	16,911,896	287,226,646

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. The effect of the adoption of these standards is explained in Note 2.

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 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.

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

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

In accordance with FRS 101 the Company has availed of an exemption from the following requirements 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, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures).
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.
- 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.

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;
- judgement in timing and amount of credit impairment of interests in associates and joint ventures, loan assets and investment in subsidiaries;
- judgement in determination of control of subsidiaries;
- judgement in determination of significant influence over associates and joint control over joint ventures

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

Note 2. Summary of significant accounting policies (continued)

i) Basis of preparation (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 the estimates used in preparing the financial report 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 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 transition adjustments to its opening balance sheet and retained earnings at 1 April 2018 for the impact of the adoption of the IFRS 9 requirements, comprising expected credit loss recognised on debtors balances.

The transition adjustment did not have a material impact and resulted in a reduction of the Company's shareholders' fund by £370,128 after tax.

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.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 replaces all the current guidance on revenue recognition from contracts with customers. It requires identification of discrete performance obligations within a customer contract and an associated transaction price 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 Revenue from Contracts with Customers on 1 April 2018. No material adjustment to opening retained earnings was 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.

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 of £10,932,537. However, on 30 October 2019, the Company entered into a loan facility with Macquarie Corporate Holdings Pty Limited (UK Branch) to borrow up to £44,026,374 with a maturity date of 31 December 2020. As at the date of this report, the Company is in a net current asset position.

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

Note 2. Summary of significant accounting policies (continued)
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 foreign operation operates (the functional currency). The Company's financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

v) Revenue and expense recognition

Net interest income/(expenses)

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. Fees and transaction costs that are integral to the lending arrangement are recognised in the profit and loss account over the expected life of the instrument in accordance with the EIR method.

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

The calculation of 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).

Interest income on financial assets and liabilities that are classified as fair value through profit or loss ("FVTPL") is accounted for on a contractual rate basis.

Other operating income/(expenses)

Other operating income/(expenses) comprise of the reversal of impairment losses/(impairment losses) on financial assets and gains and losses arising from subsequent changes in the fair values through profit or loss.

Dividends

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.

Fee expense

Management fees and cost recoveries are charged to the Company in respect of services provided by other Macquarie group entities as per the agreed cost sharing arrangement. Such expenses are recognised on an accrual basis in accordance with the standard recovery methodology applied by the servicing entity.

Expenses

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

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

Note 2. Summary of significant accounting policies (continued)

vi) Turnover

Turnover consists of dividends from UK companies. Interim dividends 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.

vii) 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.

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.

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

Note 2. Summary of significant accounting policies (continued)

viii) Financial instruments (continued)

Classification and subsequent remeasurement

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.

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 (DFVTPL).

Fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be measured at amortised cost or fair value through other comprehensive income ("FVOCI") are measured at FVTPL, with all changes in fair value recognised as part of other operating income and expenses in the income statement.

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 (DFVTPL)
- 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 HFT financial instruments are recognised in net trading income. Changes in the fair value of financial assets that are DFVTPL and FVTPL are recognised as part of other operating income and 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.

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

Note 2. Summary of significant accounting policies (continued)

viii) Financial instruments (continued)

Reclassification of financial instruments

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

The Company does not reclassify financial liabilities after initial recognition.

Financial Liabilities

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

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.

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.

ix) Derivative instruments

Derivative instruments entered into by the Company include a warrant option in the equity markets.

x) Investments

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.

Interest in associates and joint ventures

Associates and joint ventures are entities, over which the Company has significant influence or joint control, but not control, and are carried at cost in accordance with IAS 27 Separate Financial Statements.

The Company determines the dates of obtaining or losing significant influence or joint control of another entity based on an assessment of all pertinent facts and circumstances that affect the ability to significantly influence or jointly control the financial and operating policies of that entity. Facts and circumstances that have the most impact include the contractual arrangements agreed with the counterparty, the manner in which those arrangements are expected to operate in practice and whether regulatory approval is required to complete. The acquisition/disposal date does not necessarily occur when the transaction is closed or finalised under law.

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.

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

Note 2. Summary of significant accounting policies (continued)

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)

Other loss allowances for ECL are presented in the balance sheet for loan assets, loans to related body corporate entities and subsidiaries and associates and joint ventures measured at amortised cost as a deduction to the gross carrying amount.

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

Impairment of interests in associates and joint ventures

The Company performs an assessment at each balance date to determine whether there is any objective evidence that its interests in associates and joint ventures are impaired. The main indicators of impairment are significant changes in the market, economic or legal environment and a significant or prolonged decline in fair value below cost.

In making this judgement, the Company evaluates, among other factors, the normal volatility in share price and the period of time for which fair value has been below cost. If there is an indication that an investment in an associate or joint venture may be impaired, then the entire carrying amount of the investment in the associate or joint venture is tested for impairment by comparing the recoverable amount, being the higher of value in use and fair value less costs to sell, with its carrying amount.

Impairment losses recognised in the profit and loss account for investments in associates and joint ventures are subsequently reversed through the profit and loss account if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognised.

Fair value less costs to sell is estimated using market based approaches using revenues, earnings and assets under management and multiples based on companies deemed comparable as well as other publicly available information relevant to the business.

Value in use is calculated using pre-tax cashflow projections of operating revenue and expenses. Forecasts are extrapolated using a growth rate and discounted using a discount rate incorporating market risk determinants, adjusted for specific risks related to the cash generating units, if any, and the environment in which they operate.

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 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
for the financial year ended 31 March 2019 (continued)

	2019 £	2018 £
Note 3. Profit on ordinary activities before taxation		
Profit on ordinary activities before taxation is stated after crediting/(charging):		
Turnover		
Dividend income	**8,919,345**	3,924,450
Total turnover	**8,919,345**	3,924,450
Other operating (expense)/income		
Foreign exchange (losses)/gains	**(219,499)**	142,489
Net gain on sale of subsidiaries	**168,961,995**	-
Credit impairment charges	**(157,697)**	-
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	**(15,350)**	(8,048)

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

Note 4. Interest receivable and similar income		
Interest receivable from other Macquarie Group undertakings	**7,798,325**	19,798,007
Interest receivable from unrelated parties	**1,955,853**	-
Total interest receivable and similar income	**9,754,178**	19,798,007
Note 5. Interest payable and similar charges		
Interest payable to other Macquarie Group undertakings	**5,499,885**	11,837,568
Total interest payable and similar charges	**5,499,885**	11,837,568
Note 6. Taxation		
Tax expense included in profit or loss		
Current tax		
UK corporation tax at 19% (2018: 19%)	**(865,405)**	(1,417,692)
Adjustments to tax in respect of prior years	**-**	59,374
Total current tax	**(865,405)**	(1,358,318)
Deferred tax		
Origination and reversal of timing differences	**-**	(4,741)
Adjustments to tax in respect of prior years	**-**	4,741
Total deferred tax	**-**	-
Tax on profit on ordinary activities	**(865,405)**	(1,358,318)

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

	2019 £	2018 £

Note 6. Taxation (continued)

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

	2019 £	2018 £
Profit before taxation	**153,393,850**	11,227,079
Profit before taxation multiplied by standard rate of corporation tax in the United Kingdom of 19% (2018: 19%)	**(29,144,831)**	(2,133,145)
Effects of:		
Adjustments to tax in respect of prior years	**-**	54,633
Non deductible expenses	**(4,666,701)**	(25,054)
Impairment written off	**48,040**	5,178
Non assessable income	**32,898,087**	740,070
Total tax charge	**(865,405)**	(1,358,318)

The UK Government have enacted a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 and a further reduction to 17% from 1 April 2020.

Note 7. Dividends

	2019 £	2018 £
Dividends paid	**151,954,616**	24,000,000
Total dividends paid (Note 15)	**151,954,616**	24,000,000

Note 8. Investments

	2019 £	2018 £
Interests in associates and joint ventures (Note 9)	**53,045,861**	-
Investment in subsidiaries (Note 10)	**245,113,322**	228,568,464
Loan to group undertaking[1]	**-**	178,347,574
Total investments	**298,159,183**	406,916,038

[1]The balance represents loan notes issued by Macquarie Aircraft Leasing Limited. The loan was repaid during the financial year.

Note 9. Interests in associates and joint ventures

	2019 £	2018 £
Loans and investments without provisions for impairment	**1,989,709**	-
Loans and investments with provisions for impairment	**51,466,146**	-
Less provision for impairment	**(409,994)**	-
Loans and investments with provisions for impairment at recoverable amount	**51,056,152**	-
Total interests in associates and joint ventures	**53,045,861**	-

Note 10. Investments in subsidiaries

	2019 £	2018 £
Investments at cost without provisions for impairment	**245,113,322**	225,922,388
Investments at cost with provisions for impairment	**-**	28,620,764
Less provisions for impairment	**-**	(25,974,688)
Investments with provisions for impairment at recoverable amount	**-**	2,646,076
Total investments in subsidiaries	**245,113,322**	228,568,464

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

Note 10. Investments in subsidiaries (continued)

Name of investment	Nature of business	Country of Incorporation	2019 % of ownership	2019 £	2018 £
Investments in subsidiaries					
Macquarie Denmark Limited A/S	Securities lending, purchase and sale of listed equities	Denmark	-	-	1,296,155
Macquarie France SARL	Securities and derivative dealing business	France	-	-	17,560,317
Macquarie Investments Deutschland GmbH	Management of own assets & dealing in shares, equity swaps and stock loans	Germany	-	-	2,652,726
Macquarie Structured Products (Europe) GmbH	Issue of listed structured products	Germany	-	-	21,956
Macquarie Structured Securities (Europe) Public Limited Company	Issue of structured bonds and structured products	Ireland	-	-	35,129
Macquarie Distribution Finance Ltd.	Brokerage and software licensing agreement	Switzerland	-	-	638,046
Macquarie Euro Limited	Acts as a funding hub and holds Euro denominated loans	United Kingdom	100	**177,867,702**	179,056,003
Energetics Topco Limited	Holding company of entities engaged in the installation and management of gas and electricity utilities	United Kingdom	-	-	27,307,957
NASU Energy Storage Limited	Dormant company	United Kingdom	100	**75**	75
Sonne Solar Limited	Purchase of commercial solar installations in the UK	United Kingdom	100	**1,700,100**	100
Cheeryble Developments Limited	Ownership of Real Estate	United Kingdom	100	**4,107,247**	-
L2 B.V.	Holding company for mortgage loans	United Kingdom	100	**61,438,098**	-
Mitochon Limited	Purchase of commercial battery installations in the UK	United Kingdom	100	**100**	-
Total investments in subsidiaries				**245,113,322**	228,568,464

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

	2019 £	2018 £
Note 11. Debtors		
Amounts owed by other Macquarie Group undertakings	50,476,324	299,246,018
Total debtors	50,476,324	299,246,018

Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on other intercompany loans to group undertakings at market rates and at 31 March 2019 the rate applied ranged between LIBOR plus 1.18% and LIBOR plus 1.93% (2018: LIBOR plus 1.36% and LIBOR plus 1.94%).

Note 12. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to other Macquarie Group undertakings[1]	62,510,027	349,847,493
Taxation	863,131	1,392,635
Total creditors: amounts falling due within one year	63,373,158	351,240,128

[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 1.93% (2018: LIBOR plus 1.36%).

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

	2019 £	2018 £
Amounts owed to other Macquarie Group undertaking	-	67,898,983
Total creditors: amounts falling due after more than one year	-	67,898,983

Amounts owed to other Macquarie Group undertaking represent unsecured loan facilities with Macquarie Bank Limited (London Branch). The Company incurred interest at the rate of LIBOR plus 1.36% and the loan was due to mature in October 2019. The entirety of this loan was repaid in December 2018.

Note 14. Called up share capital

	2019 Number of shares	2018 Number of shares	2019 £	2018 £
Called up share capital				
Opening balance of fully paid ordinary shares	270,314,750	270,314,750	270,314,750	270,314,750
Closing balance of fully paid ordinary shares	270,314,750	270,314,750	270,314,750	270,314,750

Note 15. Profit and loss account

	2019 £	2018 £
Balance at the beginning of the financial year	16,708,195	30,839,434
Change on initial application of IFRS 9 (Note 2)	(370,128)	-
Restated balance as at 1 April 2018	16,338,067	30,839,434
Profit for the financial year	152,528,445	9,868,761
Dividends paid on ordinary share capital (Note 7)	(151,954,616)	(24,000,000)
Balance at the end of the financial year	16,911,896	16,708,195

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 20.

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.

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 accross all these duties would not be meaningful. Accordingly, no seperate renumeration has been disclosed apart from where stated above.

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

Note 18. Contingent liabilities and commitments
The Company has no contingent liabilities or commitments which are individually material or a category of contingent liabilities or commitments which are material.

Note 19. Derivative financial instruments

Objectives of holding and issuing derivative financial instruments
Options: Option contracts provide the holder the right to buy or sell financial instruments or commodities at a fixed price over an agreed period or on a fixed date. The contract does not oblige the holder to buy or sell, however the writer must perform if the holder exercises the rights pertaining to the option relating to the underlying equity.
At 31 March 2019, the fair value of outstanding derivative held by the Company was £1,984,297 positive value (2018: nil).

Note 20. Ultimate parent undertaking
At 31 March 2019, the immediate parent undertaking of the Company is Macquarie Principal Finance UK 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 21. Events after the reporting year
On 22 May 2019, the Company acquired 100% of the shares in Bernard Topco Limited.

On 20 June 2019, the Company acquired 100% interest in Sonne (Italy) Holdings Limited.

On 10 July 2019, the Company acquired 1.4m EUR of shares in Sonne (Italy) Holdings Limited.

On 9 August 2019, the Company issued a non-interest bearing loan of £135m to Bernard Topco Limited.

On 13 September 2019, the Company received £31.5m partial repayment of the non-interest bearing loans in Bernard Topco Limited.

On 22 October 2019, the Company acquired 100% of the shares in Tornado Acquisitions Topco Limited.

On 1 November 2019, the Company acquired preference shares of £4.8m and interest bearing loan note of £14.2m in Tornado Acquisitions Topco Limited. Simultaneously, the Company's interest in shares fell to 51%.

On 14 November 2019, the Company converted £86.5m of non-interest bearing loans in Bernard Topco Limited into common shares.

On 15 November 2019, the Company received a £17m partial repayment of the non-interest bearing loan in Bernard Topco Limited.

On 22 November 2019, the Company discharged Nasu Energy Storage Limited from existing liabilities, obligations and claims amounting to £1.2m.

On 1 December 2019, the Company issued an interest bearing loan note of £0.3m to Tornado Acquisitions Topco Limited.

On 19 December 2019, the Company's 100% owned subsidiary NASU Energy Storage Limited entered into a voluntary strike-off.

On 19 December, the Company acquired 100% of the shares of Gordon Topco Limited.

On 20 December 2019, the Company acquired a minority interest holding in Isabella Property Holdings Ltd.

At the time of this report, the Company owns 60.5% of the common shares issued by Bernard Topco Limited.

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