Macquarie Infrastructure and Real Assets Investments Limited

COMPANY NUMBER 8248121

MACQUARIE

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

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 Infrastructure and Real Assets Investments Limited (the "Company"), the Directors submit herewith the Strategic Report of the Company as follows:

Principal activities

The principal activity of the Company during the financial year ended 31 March 2019 was to act as a holding company.

Review of operations

The profit for the financial year ended 31 March 2019 was £37,799,952, an increase from the loss of £24,036,829 in the previous financial year.

Net operating profit for the year ended 31 March 2019 was £20,639,140, an increase from the net operating loss of £27,379,813 in the previous financial year.

Total operating income for the year ended 31 March 2019 was £17,089,374, an increase from the total operating expense of £29,460,911 in the previous financial year.

As of 31 March 2019, the Company had net assets of £99,916,254 (2018: £62,501,434).

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.

The Macquarie Group operates parts of its European Union ("EU") business from United Kingdom based subsidiaries such as the Company. On 29 March 2017, the United Kingdom invoked Article 50 of the Lisbon Treaty and officially notified the EU of its decision to withdraw from the EU (known as "Brexit"). On 31 January 2020, the United Kingdom officially left the EU and began a transition period which will continue until 31 December 2020 (unless an extension to the transition period is agreed before 1 July 2020). The economic, regulatory and legal environment as a result of Brexit will depend on the nature of the transitional arrangements (if any), and the Company continues to assess the possible impacts of Brexit and its strategic options to mitigate those impacts.

In the absence of any deal, passporting (meaning the ability for a firm authorised in the European Economic Area ("EEA") state to carry on activities that it has permission for in its home state and any other EEA state by either establishing a branch or agents in an EEA country or providing cross-border services) in its current form will end. In this case, it is envisaged the Company will wind down any EEA branches currently in operation, but will continue to be able to work strategically with its EU-based affiliates within the Macquarie Group.

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.

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

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

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

Liquidity risk
Liquidity risk is the risk of an entity encountering difficulty in meeting obligations with financial liabilities. The Directors have adopted the risk model used by the Macquarie Group, as approved by RMG. This model is incorporated into the Macquarie Group's risk management systems to enable the Company to manage this risk effectively.

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

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

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

Holly Coleman

Holly Coleman

Director

10 March 2020

Macquarie Infrastructure and Real Assets Investments Limited
Company Number 8248121

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 financial year and until the date of this report, unless disclosed otherwise, were:

M Braithwaite	(appointed on 8 March 2019) (resigned on 30 August 2019)
H Coleman	(appointed on 30 August 2019)
M Cruikshank	(resigned on 8 March 2019)
J Dyckhoff	
L Harrison	(resigned on 30 August 2019)
P Hogan	(appointed on 27 November 2018) (resigned on 30 August 2019)
A Huynh	(appointed on 30 August 2019)
M Stanley	(resigned on 27 November 2018)

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

D Shoemark

Results
The profit for the financial year ended 31 March 2019 was £37,799,952 (2018: loss of £24,036,829).

Dividends paid or provided for
No interim dividends were paid or provided for during the financial year (2018: £nil). No final dividend has been proposed.

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

Events after the reporting year
The Company made additional drawdowns pursuant to commitments in the following fund investments:
- Macquarie Super Core Infrastructure Fund SCSp of EUR 4,825,893;
- Macquarie European Infrastructure Fund 5 LP of EUR 1,876,100;
- Macquarie Asia Infrastructure Fund LP of USD 2,036,695; and
- Stable Income European Real Estate Fund S.C.C. SICAV-RAIF of EUR 1,005,101.

On 30 April 2019, Macquarie Infrastructure and Real Assets Investments 2 Limited was dissolved as a subsidiary of the Company.

On 12 June 2019, the Company's Board of Directors approved a subscription agreement by which the Company would make an additional commitment of up to EUR 13,600,000 to Macquarie European Infrastructure Fund 6 SCSp. On 11 July 2019, the Company also approved to transfer EUR 14,833,000 of its uncalled commitment in Macquarie Infrastructure Fund 6 SCSp to the SIF (as defined below). In accordance with the commitments made in Macquarie European Infrastructure Fund 6 SCSp, the company provided capital of EUR 10,838,333 subsequent to year end.

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

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

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

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

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

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

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

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

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

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.

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

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

Statement of Directors' responsibilities
The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors
In the case of each Director in office at the date the Directors' Report is approved:
- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors
Pursuant to section 487(2) of the Companies Act 2006, the auditors of the Company are deemed re-appointed for each financial year unless the Directors or the members of the Company resolve to terminate their appointment. As at the date of these financial statements, the Directors are not aware of any resolution to terminate the appointment of the auditors.

On behalf of the Board

Holly Coleman

Director

10 March 2020

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

Report on the audit of the financial statements

Opinion

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

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

We have audited the financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account, the statement of comprehensive income; the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 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.

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.

Lawrence Wilkinson

Lawrence Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 March 2020

Financial Statements

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

	Note	2019[1] £	2018 £
Turnover	2(v)	3,649,766	2,081,098
Administrative expenses		(69,040)	(79,273)
Other operating income/(expense)	3	17,158,414	(29,381,638)
Operating profit/(loss)		20,639,140	(27,379,813)
Interest receivable and similar income	4	5,779,584	5,692,349
Interest payable and similar charges	5	(4,546,941)	(2,072,434)
Profit/(loss) on ordinary activities before taxation	3	21,871,783	(23,759,898)
Tax on profit/(loss) on ordinary activities	6	15,928,169	(278,931)
Profit/(loss) for the financial year		37,799,952	(24,038,829)

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") on 1 April 2018. As permitted by IFRS 9, the Company has not restated previously reported financial periods. The effect of the adoption of this standard is explained in Note 2.

Turnover and loss on ordinary activites before taxation relate wholly to continuing operations.

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

	Note	2019[1] £	2018 Restated £
Profit/(loss) after tax for the financial year		37,799,952	(24,036,829)
Other comprehensive income:			
Items that may be reclassified to profit and loss:			
Revaluation gains recognised in other comprehensive income	15	-	12,888,663[2]
Total other comprehensive income		-	12,888,663
Total comprehensive income/(expense)		37,799,952	(11,148,166)
Total comprehensive income/(expense) for the financial year that are attributable to ordinary equity holders of the Company		37,799,952	(11,148,166)

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 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 this standard is explained in Notes 2.

[2]The comparative figures have been restated for 2018, please refer to Note 9 for further details.

Balance sheet
as at 31 March 2019

	Note	2019[1] £	2018[2,3] Restated £
Fixed assets			
Investments	7	**200,026,918**	168,321,738[3]
Current assets			
Debtors	11	**16,947,765**	105,033,710
Current liabilities			
Deferred tax liabilities	8	**(72,932)**	(513,019)
Creditors: amounts falling due within one year	12	**(51,938,077)**	(143,293,335)
		(52,011,009)	(143,806,354)
Net current liabilities		**(35,063,244)**	(38,772,644)
Creditors: amounts falling due after more than one year	13	**(65,047,420)**	(65,047,660)
Net assets		**99,916,254**	62,501,434
Capital and reserves			
Called up share capital	14	**103,396,782**	103,396,782
Other reserves	15	**-**	14,028,037[3]
Profit and loss account	15	**(3,480,528)**	(54,923,385)
Total shareholders' funds		**99,916,254**	62,501,434

The above balance sheet 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) on 1 April 2018. As permitted by IFRS 9, the Company has not restated previously reported financial periods. The effect of the adoption of this standard is explained in Note 2.

[2]Refer to Note 2(xiv) - Comparatives for additional details regarding the restatement of the Balance Sheet as at 31 March 2018.

[3]The comparative figures have been restated for 2018, please refer to Note 9 for further details.

The financial statements on pages 9 to 35 were authorised to issue by the Board of Directors on 10 March 2020 and were signed on its behalf by:

Director

Holly Coleman

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

	Note	Called up share capital £	Other reserves £	Profit and loss account £	Total shareholders' funds £
Balance at 1 April 2017		103,396,782	1,139,374	(30,886,556)	73,649,600
Loss for the financial year		-	-	(24,036,829)	(24,036,829)
Other comprehensive income, net of tax (Restated)		-	12,888,663[2]	-	12,888,663
Total comprehensive expense		-	12,888,663	(24,036,829)	(11,148,166)
Balance at 31 March 2018		103,396,782	14,028,037	(54,923,385)	62,501,434
Change on initial application of IFRS 9[1]		-	(14,028,037)	13,642,905	(385,132)
Restated balance at 1 April 2018		103,396,782	-	(41,280,480)	62,116,302
Profit for the financial year		-	-	37,799,952	37,799,952
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	37,799,952	37,799,952
Balance at 31 March 2019		103,396,782	-	(3,480,528)	99,916,254

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

[1]The March 2019 financial results reflect the adoption of IFRS 9 – Financial Instruments (IFRS 9) on 1 April 2018. As permitted by IFRS 9, the Company has not restated previously reported financial periods. The effect of the adoption of this standard is explained in Note 2.

[2]The comparative figures have been restated for 2018, please refer to Note 9 for further details.

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 except for except for the following items:

- financial instruments (including derivatives) required to be measured at fair value through profit or loss (FVTPL), financial assets classified as fair value through other comprehensive income (FVOCI) and financial instruments that are designated as FVTPL (DFVTPL)
- financial assets and liabilities that are otherwise measured on an amortised cost basis but adjusted for changes in fair value attributable to the risk being hedged in qualifying fair value hedge relationships

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

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

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

- The requirements of IFRS 7 'Financial Instruments: Disclosures'.
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The requirements of paragraphs 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - o Paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding).
  - o Paragraph 73(e) of IAS 16 'Property, Plant and Equipment'.
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D and 111 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures).
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group; and
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.

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

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 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(i) and Note 8)*;
- judgement in timing and amount of credit impairment of financial investments, interests in associates, loan assets, and investment in subsidiaries (Notes 8, 9 and 10);
- estimates in the measurement of the recoverable amount of investments in Note 10 showing indicators of impairment;
- estimates in the measurement of financial assets and financial liabilities classified as fair value through profit or loss (Note 9);
- judgement in determination of control of subsidiaries (Note 10);
- judgement in determination of significant influence over associates (Note 8);
- judgement and estimate of recoverability of deferred tax assets and measurement of current and deferred tax liabilities (Note 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 assets and liabilities reported.

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

IFRS 9 *Financial Instruments*

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

Transition:

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

The transition adjustment has decreased the Company's shareholders' funds by £385,132 after tax.

The transition adjustment related primarily to the implementation of the classification and measurement requirements which increased the opening retained earnings by £13,642,905[1] after tax. Refer Note 21 - Change on initial application of IFRS 9 for further details of the transition impact.

IFRS 2017-7 clarifies the accounting for long-term interests (debt instruments) in an associate, which in substance form part of the net investment in the associate or joint venture, but to which the equity method is not applied. IFRS 9's ECL requirements are applied to these long-term interests before applying the loss allocation and impairment requirements.

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

[1]The comparative figures have been restated for 2018, please refer to Note 9 for further details.

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

i) Basis of preparation (continued)

IFRS 15 *Revenue from Contracts with Customers*

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

The Company adopted IFRS 15 Revenue from Contracts with Customers on 1 April 2018. No material 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 2018.

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

ii) Going concern

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

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 £35,063,244. Subsequent to 31 March 31 2019, Macquarie (UK) Group Services Limited provided the Company with funding of £90,846,286 with a maturity of 31 December 2020. As at the date of this report, the Company is in a net current asset position.

iv) Foreign currency translation

Functional and presentation currency

The functional currency of the Company is determined as the currency of the primary economic environment in which the foreign operation operates (the functional currency). The Company's financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

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.

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. Translation differences on financial assets classified as FVOCI are included in OCI, unless they form part of fair value hedge relationships in which case the translation differences are recognised in the profit and loss account (see Note 15).

v) Revenue and expense recognition

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

Turnover

Dividends and Distributions

Turnover represents 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.

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

v) *Revenue and expense recognition (continued)*

Net interest income/expense

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

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.

Interest income on financial assets and liabilities that are classified as FVTPL is accounted for on a contractual rate basis.

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) or classified as available for sale, 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 net trading income, impairment losses on financial assets and gains and losses arising from subsequent changes in the fair values of equity investment securities, debt investment securities at fair value through profit or loss.

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

Gain or loss on change of control, joint control and/or significant influence also forms part of other operating income/(expense).

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.

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

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

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.

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

vii) Financial instruments

Recognition of financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

De-recognition of financial instruments

Financial assets

Financial assets are de-recognised from the balance sheet when:

- the rights to cash flows have expired
- the Company has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset.

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, and for financial assets measured at fair value through OCI, 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

vii) **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; and
(iii) the financial asset has not been designated to be measured at FVTPL (DFVTPL).

Interest income determined in accordance with the EIR is recognised in interest income. Gains and losses arising from the derecognition of financial assets that are measured on an amortised cost basis are recognised as part of other operating income and charges.

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

For the purposes of the Company's financial statements, the FVTPL classification consists of the following:
- financial assets that are held for active trading (held for trading or 'HFT'). This classification includes all derivative financial assets and
- 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.

Changes in the fair value of financial assets that are FVTPL are recognised as part of other operating income and charges. The interest component of financial assets that are classified as FVTPL are recognised in interest income. Equity financial assets are measured at FVTPL.

Fair value through other comprehensive income (FVOCI)
A financial asset is subsequently measured at FVOCI if the following conditions are met:
(i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
(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)

Subsequent changes in fair value are recognised in OCI, with the exception of interest, which is recognised as part of interest income, ECL, which is recognised as a credit impairment charge in other operating income and expenses, and foreign exchange gains and losses, which are recognised in net trading income. When debt financial assets at FVOCI are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI and recognised as part of other operating income and expenses.

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

The Company does not reclassify financial liabilities after initial recognition.

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

vii) Financial instruments (continued)

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 OCI in the available for sale reserve in equity until the asset was derecognised or impaired, at which time the cumulative gain or loss was recognised in the profit and loss account. Interest income on available for sale debt financial assets was aligned with the treatment for financial assets classified as FVOCI under IFRS 9.

- When the fair value of an available for sale equity financial asset was less than its initial carrying amount and there was objective evidence of impairment, the cumulative loss was transferred from OCI and to other operating income and charges in the profit and loss account. Such impairment losses were not permitted to be reversed through the profit and loss account

- Other financial assets were designated at FVTPL if:
- *the asset was part of a group of financial assets and financial liabilities managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy, and reporting is provided on that basis to key management personnel*
- *the asset was part of a group of financial assets and financial liabilities managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy, and reporting is provided on that basis to key management personnel, or*
- *doing so eliminated or significantly reduced a measurement or recognition inconsistency that would otherwise have arisen.*

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.

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.

viii) Hedge accounting
As part of its ongoing business, the Company is exposed to several financial risks, principally that of foreign exchange rates (referred to as the hedged risk or exposure). The Company has limited appetite for such risks and has policies and practices in place to ensure that these risks are effectively managed. The Company mitigates these risks through the use of derivative financial instruments and, in the case of foreign currency risk, foreign-denominated debt issued (collectively referred to as hedging instruments). In order to account for the difference in the gains and losses between the exposure that is being hedged and the hedging instrument, the Company applies hedge accounting as below:

- Nature of hedge: The hedge of the fair value risk on the non-functional currency investments by the Company due to changes in foreign currency rates.
- Hedged risk: Foreign exchange risk (spot)
- Hedged item: Foreign currency denominated investment
- Hedging instrument: foreign exchange forward contracts and foreign currency denominated issued debt
- Designation and documentation: At inception of the hedge relationship, documentation is required of the Company's risk management objective and strategy for the hedge, hedging instrument, hedged item, hedged risk and how the hedge relationship will meet the hedge effectiveness requirements.

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

viii) Hedge accounting (continued)

Fair value hedges

- Hedge effectiveness method: All hedge relationships are required to be assessed for hedge ineffectiveness both at the inception and throughout the hedge relationship by demonstrating that:
  - an economic relationship exists between the hedged item and the hedging instrument;
  - credit risk does not dominate the changes in value of either the hedged item or the hedging instrument; and
  - the hedge ratio is reflective of the Company's risk management approach.

  The hedge effectiveness assessment is performed by a combination of qualitative and, where applicable, quantitative assessments. Changes in the hedge ratio, or rebalancing, may be required to adjust the hedged item or the hedging instrument.
- Accounting treatment for the hedging instrument: Fair value through the profit and loss account.
- Accounting treatment for the hedged item: Carrying value adjusted for changes in fair value attributable to the hedged risk.
- Accounting treatment for hedge ineffectiveness: Recognised in the profit and loss account to the extent that changes in fair value of the hedged item attributable to the hedged risk are not offset by changes in fair value of the hedging instrument.
- Accounting treatment if the hedge relationship is discontinued: Where the hedged item still exists, adjustments to the hedged item are amortised to the profit and loss account on an effective interest rate basis.

ix) Investments and other financial assets

Financial investments

Investment securities in this category include investments in equity or debt securities which are not actively traded by the Company.

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

Investments 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.

Interests in associates

Associates are entities, over which the Company has significant influence or joint control, but not control, 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.

Loans and receivables

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

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

x) 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 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.

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.

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

x) Impairment (continued)

Impairment of interests in associates and joint ventures (continued)

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 it operates.

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.

xi) Financial Liabilities

The Company has on issue debt securities and instruments which are initially recognised on settlement date at fair value net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit and loss over the period of the borrowing using the effective interest method.

xii) Offsetting financial instruments

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

xiii) Called up share capital

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

xiv) Comparatives

The comparative balance sheet has been restated to move investments classified as available for sale from 'Current Assets' into 'Investments' as at 31 March 2018. It has also been restated to reclassify the Company's Investements in MEIF 5 Luxembourg B Holdings Sà r.l., Macquarie Super Core Infrastructure Fund SCSp and MSCIF Luxembourg B Holdings Sà r.l. from investments in associates to a financial investments. Refer to Note 9 for additional details.

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

	2019 £	2018 £

Note 3. Profit/(loss) on ordinary activities before taxation

	2019 £	2018 £
Profit/(loss) on ordinary activities before taxation is stated after crediting/(charging):		
Net gain on investments[1]	68,102,197	-
Foreign Exchange losses	(127,073)	(143,766)
Credit impairment (charges)/reversal[2]		
Loans to associates	(50,878,479)	(27,680,000)
Debtors	255,906	-
Undrawn Commitments	(194,136)	-
Other impairment charges	-	(1,557,872)
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	(15,353)	(21,422)

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

[2]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 financial year (2018: nil).

Note 4. Interest receivable and similar income

	2019 £	2018 £
Interest receivable on loans to associates	4,080,835	5,619,321
Interest receivable from other Macquarie Group undertakings	1,698,749	73,028
Total interest receivable and similar income	5,779,584	5,692,349

Note 5. Interest payable and similar charges

	2019 £	2018 £
Interest payable to other Macquarie Group undertakings	4,546,941	2,072,434
Total interest payable and similar charges	4,546,941	2,072,434

Note 6. Taxation

	2019 £	2018 £
(i) Tax expense included in profit or loss		
Current tax		
UK corporation tax at 19% (2018: 19%)	10,129,948	(1,049,823)
Adjustment in respect of previous periods	5,328,102	772,892
Total current tax	15,458,050	(276,931)
Deferred tax		
Origination and reversal of timing differences	525,427	-
Effect of changes in tax rates	(55,308)	-
Total deferred tax	470,119	-
Tax on profit/(loss) on ordinary activities	15,928,169	(276,931)

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

Note 6. Taxation (continued)

(ii) Reconciliation of effective tax rate

The income tax expense for the period 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/(loss) before taxation	21,871,784	(23,759,898)
Current tax charge at 19% (2018: 19%)	(4,155,639)	4,514,381
Effect of –		
Adjustment in respect of previous periods	5,328,102	772,892
Expenses not deductible for tax purposes	(29)	(6,047,866)
Non-assessable income	14,716,899	362,246
Income allocation from Partnerships	94,144	121,416
Effect of rate change	(55,308)	-
Total tax on profit/(loss) on ordinary activities	15,928,169	(276,931)

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:

	2019 £	2018 £
Deferred tax liabilities		
Other liabilities	(45,904)	-
Transitional adjustment in respect fo IFRS 9	(27,028)	-
Tax effects of AFS reserves	-	(513,019)
Total deferred tax liabilities	(72,932)	(513,019)

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

	2019 £	2018 £
Balance at the beginning of the financial year	(513,019)	(233,366)
Temporary differences:		
Deferred tax charged to profit and loss account for the period	525,427	-
Effect of changes in tax rates	(55,308)	32,900
Deferred tax charged to equity	-	(312,553)
Transitional adjustment in respect of IFRS 9	(30,032)	-
Balance at the end of the financial year	(72,932)	(513,019)

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

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

	2019 £	2018 Restated £

Note 7. Investments

	2019 £	2018 Restated £
Interests in associates (Note 8)	19,303,915	56,049,269[2]
Financial investments (Note 9)[1]	176,414,348	109,467,572[2]
Investments in subsidiaries (Note 10)	4,308,655	804,897
Total investments	**200,026,918**	**166,321,738**
Reconciliation of movement in investments		
Balance at the beginning of the financial year	166,321,738	127,875,709
Change on initial application of IFRS 9	(105,152)	-
Change in fair value	68,083,588	13,301,075[2]
Additions	26,537,443	52,397,489
Foreign exchange movements	1,886,060	(2,629,416)
Impairment charge loan to associate	(50,878,479)	(27,680,000)
Impairment charge on investment in subsidiary	-	(1,567,872)
Return of capital	(15,442,082)	(623,376)
Disposals	(413,853)	(135,340)
Interest accrued on debt investments	4,035,655	5,573,468
Balance at the end of the financial year	**200,026,918**	**166,321,738**

[1]Includes 'Other financial assets at fair value through profit or loss' for the financial year prior to adoption of IFRS 9 on 1 April 2018.

[2]The comparative figures have been restated for 2018, please refer to Note 9 for further details.

Note 8. Interests in associates

	2019 £	2018 Restated £
Loans and investments without provisions for impairment	8,522,166	5,160,047[2]
Loans and investments with provisions for impairment	148,624,025	137,829,574
Less provision for impairment	(137,842,276)	(86,940,352)
Loans and investments with provisions for impairment at recoverable amount	10,781,749	50,889,222
Total interests in associates	**19,303,915**	**56,049,269**

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

Note 8. Interests in associates (continued)

Name of investment	Nature of business	Country of incorporation	% ownership	2019 £	2018 Restated £
Interest in associates (Uncontrolled entities):					
MPF Holdings Limited [1]	Holding company	1st Floor, Waterloo House, Don Street, Helier, Jersey	16.48%	-	-
Macquarie China Retail Company 2 Limited	Private mutual fund entity	Wessex House, 3rd Floor, 45 Reid Street, Hamilton HM12, Bermuda	3.00%	4,751,733	4,314,060
Harry Holdings Sarl	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	20.00%	132,834	135,275
Macquarie Korea Opportunities Fund 4	Private Equity Fund	(Hanwha Bldg., Sogong-dong) 109 Sogong-ro, Jung-gu Seoul 04525 Korea, Republic of	1.55%	2,975,179	-
MIRA Infrastructure Global Solution II LLC	Limited Liability Company	125 W 55th Street Level 15 New York NY 10019 United States	1%	77	-
Total interests in associates				**7,859,823**	**4,449,335**

Name of investment	Nature of business	Country of incorporation	% ownership	2019 £	2018 £
Loans to associates (Uncontrolled entities):					
MPF Holdings Limited [1]	Holding company	1st Floor, Waterloo House, Don Street, Helier, Jersey	16.48%	10,781,749	50,889,222
Harry Holdings Sarl	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	20.00%	662,343	710,712
Total loans to associates				**11,444,092**	**51,599,934**
Total loans and interests in associates				**19,303,915**	**56,049,269**

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

Note 8. Interests in associates (continued)

[1] The Company holds loan notes with a principal amount of £78,821,289 (2018: £78,821,289) and accrued interest of £48,968,955 (2018: £34,006,656) issued by Calon Energy (Investments) Limited, a subsidiary of MPF Holdings Limited. The maturity date of the loan notes is 30 June 2022. The interest is receivable on these loan notes at 8% (2018: 8%) per annum. During the year, interest receivable has been recorded at the effective interest rate on the loan of 7.95%. During the year, an impairment provision of £50,676,479 (2018: £27,680,000) was recorded on the loan note.

On 3 July 2018, the Company made an additional senior loan note to Calon Energy (Investments) of £8,758,440.

[2]The comparative figures have been restated for 2018, please refer to Note 9 for further details.

	2019	2018 Restated
	£	£

Note 9. Financial investments

	2019	2018
Equity securities		
Unlisted	176,414,348	109,467,572[1]
Total financial investments	176,414,348	109,467,572

Name of investment	Nature of business	Country of incorporation	% ownership	2019 £	2018 Restated £
Uncontrolled entities:					
Macquarie Asia Infrastructure Fund LP	Investor in infrastructure assets in Asia	PO Box 1093, GT Queensgate House South Church Street, George Town, Cayman Islands	2.03%	35,198,020	30,724,224
MIRA UK Gas Holdings LP	Investor in energy assets in the United Kingdom	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	2.82%	23,290,917	25,000,010
Macquarie European Infrastructure Fund 5 LP	Investor in infrastructure assets in Europe	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	1.15%	29,012,116	18,546,583
MEIF 5 Luxembourg B Holdings S.à r.l.	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	35.00%	72,284,862	11,527,140[1]
Macquarie Super Core Infrastructure Fund SCSp	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	1.10%	9,655,940	22,673,854[1]
MSCIF Luxembourg B Holdings S.à r.l.	Holding company	Level 4, 20 Boulevard Royal L-2449 Luxembourg	4.99%	5,985,926	995,761[1]
Stable Income European Real Estate Fund SICAV-RAIF	Unlisted real estate investment vehicle	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	7.52%	986,567	-
Total investments				176,414,348	109,467,572

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

Note 9. Financial investments (continued)

[1] The investments in MEIF 5 Luxembourg B Holdings Sà r.l., Macquarie Super Core Infrastructure Fund SCSp and MSCIF Luxembourg B Holdings Sà r.l. were incorrectly classified as investments in associates in FY18. The investments in MEIF 5 Luxembourg B Holdings Sà r.l. and MSCIF Luxembourg B Holdings Sà r.l. were reclassified to financial investments in FY19 as it was determined that the investments meet the criteria of a debt instrument investment under IAS 39. The investment in Macquarie Super Core Infrastructure Fund SCSp was reclassified from an investment in associate to a financial investment in FY19 due to the lack of significant influence. The change in classification resulted in a fair value movements for MEIF 5 Luxembourg B Holdings Sà r.l. of £11,523,298 in FY18 with a corresponding restatement in investments and other reserves which increased by £11,523,298 in each instance. The change in classification did not result in material fair value movements for Macquarie Super Core Infrastructure Fund SCSp and MSCIF Luxembourg B Holdings Sà r.l. in FY18.

Note 10. Investments in subsidiaries

	2019 £	2018 £
Investments at cost with no provisions for impairment	3,066,525	662,767
Investments at cost with provisions for impairment	2,800,002	1,700,002
Less provisions for impairment	(1,557,872)	(1,557,872)
Investments with provisions for impairment at recoverable amount	1,242,130	142,130
Total investments in subsidiaries	4,308,655	804,897

Name of investment	Nature of business	Country of incorporation	% ownership	2019 £	2018 £
Controlled entity:					
Macquarie China Logistics Fund Limited	Private mutual fund entity	Penboss Building, 50 Parliament Street, Hamilton, HM12, Bermuda	100%	-	7
Macquarie Infrastructure and Real Assets Investments (Luxembourg) S.à r.l.	Holding Company	46, Place Guillaume II L-1648 Luxembourg	99.99%	10,780	10,978
MIF Holdings Limited	Managing general agent of Macquarie Insurance Facility	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100%	1,242,130	142,130
Macquarie Infrastructure and Real Assets Investments 2 Limited	Holding Company	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100%	0	0
Macquarie Infrastructure and Real Assets Investments 3 Limited	Holding Company	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100%	0	0
Macquarie Infrastructure and Real Assets Core Limited	Holding Company	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100%	100	100

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

Note 10. Investments in subsidiaries (continued)

				2019 £	2018 £
Macquarie Infrastructure Partners IV GP LLC	General partner of Macquarie Infrastructure Partners IV, LP	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County DE 19808, United	99.8%	80	80
MIRA Infrastructure Global Solution GP LLC	General partner of MIRA Infrastructure Global Solution, LP	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County DE 19808, United	100%	3,055,565	651,602
Total investments in subsidiaries				4,308,655	804,897

Note 11. Debtors

Amounts owed by other Macquarie Group undertakings [1]	6,768,642	105,033,029
VAT recoverable	49,175	681
Taxation	10,129,948	-
Total debtors	16,947,765	105,033,710

[1] Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans to group undertakings at market rates and at 31 March 2019 the rate applied was LIBOR plus 1.93% (2018: LIBOR plus 2.26%).

Note 12. Creditors: amounts falling due within one year

Amounts owed to other Macquarie Group undertakings [1]	51,743,941	142,068,144
Taxation	-	1,049,822
Other creditors	194,136	175,369
Total creditors: due within one year	51,938,077	143,293,335

[1] Amounts owed to other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company incurs interest on amounts owed to Macquarie Group undertakings at market rates and at 31 March 2019 the rate applied was LIBOR plus 1.93% (2018: LIBOR plus 2.26%).

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

Amounts owed to other Macquarie Group undertakings [1]	65,047,420	65,047,660
Total creditors: due after one year	65,047,420	65,047,660

[1] Amounts owed to other Macquarie Group undertakings represent unsecured loan facilities with Macquarie (UK) Group Services Limited. The Company incurs interest on the above loan at the rate of LIBOR plus 1.17%. These loans are due to mature in November 2020.

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	103,396,782	103,396,782	103,396,782	103,396,782
Closing balance of fully paid ordinary shares	103,396,782	103,396,782	103,396,782	103,396,782

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

	2019 £	2018 Restated £
Note 15. Other reserves and profit and loss account		
Reserves		
Available for sale reserve		
Balance at the beginning of the financial year	14,028,037	1,139,374
Revaluation movement for the financial year, net of tax	-	12,888,663[1]
Reclassification to profit and loss accounts on initial application of IFRS 9	(14,028,037)	-
Balance at the end of the financial year	-	14,028,037
Total other reserves at the end of the financial year	-	14,028,037
Profit and loss account		
Balance at the beginning of the financial year	(54,923,385)	(30,886,556)
Change on initial application of IFRS 9	13,642,905	-
Restated balance as at 1 April 2018	(41,280,480)	(30,886,556)
Profit/(loss) attributable to ordinary equity holders of the Company	37,799,952	(24,036,829)
Balance at the end of the financial year	(3,480,528)	(54,923,385)
Total profit and loss account	(3,480,528)	(54,923,385)

[1]The comparative figures have been restated for 2018, please refer to Note 9 for further details.

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 subsidiary undertakings are as below:

Name of related party	Registered office	% ownership	Class of shares
Subsidiaries of Macquarie Infrastructure and Real Assets Core Limited			
Stezzano 1 S.r.l	Largo Donegani 2, 20121 Milano MI Italy	100	Clas A shares
Subsidiaries of Macquarie Infrastructure Partners IV GP LLC			
Macquarie Infrastructure Partners IV, L.P.	The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware,19801, United States	100	General Partner
MIP IV (Canada) GP,LLC	1209 Orange Street Wilmington, New Castle County DE 19801 United States	100	Membership Interest Shares
MIP IV Executives GP,LLC	1209 Orange Street Wilmington, New Castle County DE 19801 United States	100	General Partnership Interests Shares

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

Note 16. Related party information (continued)

Name of related party	Registered office	% ownership	Class of shares
Subsidiaries of Macquarie Infrastructure Partners IV GP LLC (continued)			
MIP IV Fawkes GP,LLC	The Corporation Trust Company 1209 Orange Street Wilmington, New Castle County Delaware 19801 United States Of America	100	General Partnership Interests Shares
MIP IV Non-U.S. Staff Investors, L.P.	1209 Orange Street Wilmington, New Castle County DE 19801 United States	100	General Partnership Interests Shares
Subsidiaries of MIRA Infrastructure Global Solution GP LLC			
MIRA Infrastructure Global Solution, L.P.	The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware,19801, United States	100	General Partnership Interests shares
MIGS AIV L.P.	199 Bay Street Suite 4000 Toronto ON M5L 1A9 Canada	100	General Partnership Interests Shares
MIGA Non-U.S. Staff Investors, L.P.	1209 Orange Street Wilmington DE 19801 United States	100	General Partnership Interests Shares

Note 17. Directors' remuneration

During the financial year ended 2019 and 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.

	2019 £	2018 £
Note 18. Contingent liabilities and commitments		
Commitments exist in respect of:		
Undrawn commitments[1]	102,332,467	58,313,760
Total commitments	**102,332,467**	**58,313,760**

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

Note 19. Ultimate parent undertaking

At 31 March 2019 the immediate parent undertaking of the Company is Macquarie (UK) Group Services Limited.

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

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

Note 20. Events after the reporting year

The Company made additional drawdowns pursuant to commitments in the following fund investments:
- Macquarie Super Core Infrastructure Fund SCSp of EUR 4,825,893;
- Macquarie European Infrastructure Fund 5 LP of EUR 1,876,100;
- Macquarie Asia Infrastructure Fund LP of USD 2,036,695; and
- Stable Income European Real Estate Fund S.C.C. SICAV-RAIF of EUR 1,005,101.

On 30 April 2019, Macquarie Infrastructure and Real Assets Investments 2 Limited was dissolved as a subsidiary of the Company.

On 12 June 2019, the Company's Board of Directors approved a subscription agreement by which the Company would make an additional commitment of up to EUR 13,600,000 to Macquarie European Infrastructure Fund 6 SCSp. On 11 July 2019, the Company also approved to transfer EUR 14,833,000 of its uncalled commitment in Macquarie Infrastructure Fund 6 SCSp to the SIF (as defined below). In accordance with the commitments made in Macquarie European Infrastructure Fund 6 SCSp, the company provided capital of EUR 10,838,333 subsequent to year end.

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

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

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

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

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

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

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

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

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

Note 21. Changes on initial application of IFRS 9

The table below summarises the presentation and carrying amount changes in the Company's balance sheet as a result of the
adoption of IFRS 9 as at 1 April 2018, and includes:
- a comparison of IAS 39 and IFRS 9's measurement categories
- the impact of the classification and measurement changes, and the new ECL requirements on the

	IAS 39 measurement category	Restated Carrying amount at 31 March 2018[1,2]	Revised presentation at 31 March 2018
	£	£	£
Fixed assets			
Investments[2]	Non financial asset	5,254,231	5,254,231
	Amortised Cost	51,699,935	51,699,935
Investments[1,2]	Available for sale	109,467,572	109,467,572
	FVTPL	-	-
Current assets			
Debtors	Amortised cost	105,033,029	105,033,029
	Non financial asset	681	681
Current liabilities			
Deferred tax liabilities	Non financial asset	(513,019)	(513,019)
Creditors: amounts falling due within one year	Amortised cost	(142,088,144)	(142,088,144)
	FVTPL	(173,414)	(173,414)
	Non financial asset	(1,051,777)	(1,051,777)
Net current liabilities		(38,772,644)	(38,772,644)
Creditors: amounts falling due after more than one year	Amortised cost	(65,047,660)	(65,047,660)
Net assets		62,501,434	62,501,434
Capital and reserves			
Called up share capital		103,398,782	103,398,782
Other reserves[2]		14,028,037	14,028,037
Profit and loss account		(54,923,385)	(54,923,385)
Total shareholders' funds		62,501,434	62,501,434

[1]Refer to Note 2(xi) - Comparatives for additional details regarding the restatement of the Balance Sheet as at 31 March 2018.

[2]The comparative figures have been restated for 2018, please refer to Note 9 for further details.

Note 21. Changes on initial application of IFRS 9

	IFRS 9 remeasurement					IFRS 9 measurement categories	
	classification change	due to expected credit losses	Tax impact	Net impact	Carrying amount at 1 April 2018 after IFRS9 transition	Amortised cost	Fair value through Profit and Loss (Mandatory)
	£	£	£	£	£	£	£
	-	-	-	-	5,254,231	-	-
	-	(105,152)	-	(105,152)	51,494,783	51,494,783	-
	(109,467,572)	-	-	(109,467,572)	-	-	-
	109,467,572	-	-	109,467,572	109,467,572	-	109,467,572
	-	(249,949)	-	(249,949)	104,783,080	104,783,080	-
	-	-	-	-	681	-	-
	-	-	(30,031)	(30,031)	(543,050)	-	-
	-	-	-	-	(142,088,144)	(142,088,144)	-
	-	-	-	-	(173,414)	-	(173,414)
	-	-	-	-	(1,051,777)	-	-
	-	(249,949)	(30,031)	(279,980)	(39,052,624)	-	-
	-	-	-	-	(65,047,660)	(65,047,660)	-
	-	(355,101)	(30,031)	(385,132)	62,116,302	-	-
	-	-	-	-	103,396,782	-	-
	(14,641,056)	-	513,019	(14,028,037)	-	-	-
	14,641,056	(355,101)	(543,050)	13,642,905	(41,280,480)	-	-
	-	(355,101)	(30,031)	(385,132)	62,116,302	-	-

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

Note 21. Changes on initial application of IFRS 9 (continued)

Footnotes to the IFRS 9 Transition Table

IFRS 9 classification and measurement changes

Following the adoption of IFRS 9, the following classification and measurement changes arose:

[1]Equity financial investments of £109,467,572 that were classified as available for sale under IAS 39, were classified as FVTPL as they either did not meet IFRS 9's SPPI criteria or were held in a business model with the intention to sell.

[2]The £14,641,058 increase in retained earnings for changes in classification and measurement of financial relates to the reversal of fair value impairment losses on certain available for sale equity securities that were recognised previously in retained earnings under IAS 39. These fair value impairment losses are now recognised within OCI under IFRS 9. An ECL impairment loss has been separately recognised on these equity securities in retained earnings on adoption of IFRS 9.