Macquarie UK Holdings Limited

Company NUMBER 02579363

Strategic Report, Directors' Report and Financial Statements
for the financial year ended 31 March 2023

MACQUARIE

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

2023 Strategic Report, Directors' Report and Financial Statements
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Strategic Report
for the financial year ended 31 March 2023

In accordance with a resolution of the Directors (the "Directors") of Macquarie UK Holdings Limited (the "Company"), the Directors submit herewith the Strategic Report of the Company as follows:

Principal activities
The principal activity of the Company during the financial year ended 31 March 2023 ("current financial year") was to act as an investment holding company and to provide funding to other Macquarie related entities.

Review of operations
The profit for the financial year ended 31 March 2023 was £10,403,831, an increase of 14 percent from the profit of £9,087,644 in the previous year, primarily due to an increase in net interest income partly offset by fair value losses on equity investments.

Operating loss for the year ended 31 March 2023 was £5,172,612, as compared to the operating profit of £22,556,190 in the previous year. The year on year change was primarily due to the net loss on equity investments in the year ended 31 March 2023.

Total administrative expenses for the financial year ended 31 March 2023 were £319,267, as compared to the total administrative expenses of £197,991 in the previous year. The year on year change was primarily due to an increase in recoveries from group entities.

As at 31 March 2023, the Company had net assets of £101,623,228 (2022: £91,219,397). The year on year change was primarily due to an increase in loan assets and debtors, partially offset by an increase in creditors.

Principal risks and uncertainties
The Company is responsible for its own risk acceptance decisions. From the perspective of the Company, the principal risks are credit risk, liquidity risk, market risk, interest rate risk and foreign exchange risk. The principal risks of the Company are monitored by the relevant division of the Risk Management Group ("RMG") of the Macquarie Group (Macquarie Group comprising Macquarie Group Limited ("MGL"), the ultimate parent of the Company, and its subsidiaries). There are currently no plans to substantially change the nature of the business going forward.

The range of factors that may influence the Company's short-term outlook include:
- broader market volatility and weaker consumer sentiments driven by the recent banking concerns and ongoing macro-economic uncertainty, although the direct impact on the firm from banking concerns is broadly immaterial;
- global inflation and interest rates, and the impact of geopolitical events;
- the uncertainty introduced by the Russian-Ukraine conflict;
- potential tax or regulatory changes and tax uncertainties;
- *completion of period-end reviews and the completion rate of transactions; and*
- the geographic composition of income and the impact of foreign exchange.

The risk presented by the Russia-Ukraine conflict is managed by the Company within the framework of the overall strategy and risk management structure of the Macquarie Group.

The continued impact and uncertainty surrounding the Russia-Ukraine conflict have been monitored throughout the year for the Company by RMG. There was no significant direct financial impact, and the Company has continued to operate effectively throughout the period.

The Directors have assessed the impact of the high interest rate and high inflationary environment on the Company. *The Directors have concluded that these did not have a material impact on the operations of the Company during the* current financial period.

The Company is not subject to any other principal risks or uncertainties, over and above those stated.

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, liquidity, and market risk. Additional risks faced by the Company include operational, legal, compliance and documentation risk. The primary responsibility for management of these risks lies with the individual businesses giving rise to them. It is the responsibility of RMG to ensure appropriate assessment and management of these risks.

Strategic Report (continued)
for the financial year ended 31 March 2023

Risk management (continued)

As 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 MGL Board. The risks to which the Company is exposed are managed on a globally consolidated basis for MGL as a whole, including all subsidiaries, in all locations. Macquarie Group's internal approach to risk ensures that risks in subsidiaries are subject to the same rigour and risk acceptance decisions.

Financial Risk Management

Credit risk

Credit risk is the risk that a counterparty will fail to complete its contractual obligations when they fall due. 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. Liquidity management is performed centrally by Group Treasury, with oversight from the Asset and Liability Committee ("ALCO"). The Directors have adopted the risk model used by the Macquarie Group, as approved by RMG. This model is incorporated into the Macquarie Group's risk management systems to enable the Company to manage this risk effectively.

The Company is funded through equity and debt financing from other entities in the Macquarie Group. The Company also entered into funded participation arrangements with other entities in the Macquarie Group. Monitoring by RMG and Macquarie Group's Treasury department ensures that the Company has sufficient available funds for operations and planned expansion.

Interest rate risk

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

Foreign exchange risk

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

Non-Financial Risk Management

Operational risk

The Company operates within a global framework which is applied consistently across all business lines within the Macquarie Group for the identification, monitoring, management and reporting of operational risk. Operational risk management occurs largely as part of the normal day to day running of each business with the framework, policies and oversight being managed at a central level by RMG. The framework can be tailored to the risk profile of each business, but each business must comply with certain mandatory aspects.

Group risk

The risk that the actions and activities of one part of the Macquarie Group may compromise the financial, operational and reputational position of the Company. Management of financial group risk is embedded across underlying governance documents and committees relating to financial exposures. Management of reputation risk is embedded throughout the risk management framework and considered in the assessment of all risk types. Intragroup outsourcing is governed in accordance with the internal Macquarie Group's policies.

Strategic Report (continued)
for the financial year ended 31 March 2023

Risk management (continued)
Non-Financial Risk Management (continued)

Conduct risk

The risk of behaviour, action or omission by individuals employed by, or on behalf of, the Company or taken collectively in representing the Company that may have a negative outcome for the Company's clients, counterparties, the communities and markets in which it operates, its staff, or the Company. The Company's approach to conduct risk management is integrated in its risk management framework.

Regulatory & Compliance Risk

The risk of failure to comply with laws, regulations, rules statements of regulatory policy, and codes of conduct applicable to the Company's financial services and other regulated activities. Frameworks have been established to manage the identification, escalation, management and reporting of regulatory and compliance risks across Macquarie. These frameworks include policies, guidelines and standards which have been implemented to guide compliance.

Strategic / Business Risk

Risk of the Company's business model being inadequate in the medium to long term. Business and strategic risk is managed and controlled through the annual strategy and business planning process. The Company Board has regular oversight of business risk in the Company.

Financial crime Risk

Risk of knowingly or unknowingly perpetuating or helping parties to commit or to further potentially illegal activity through the Company. Financial crime risk encompasses the risks of money laundering, terrorism financing, bribery and corruption, and sanctions. RMG Financial Crime Risk (FCR) manage and oversee financial crime risk, engage with regulators and maintain and monitor the effectiveness of global financial crime risk frameworks, programs and policies for Macquarie.

Technology & cyber risk

Risk of loss resulting from failure, inadequacy or misuse of technology and technology resources owned, managed or supplied by the Company including technology outsourced and/or managed on behalf of the Company. The RMG Operational Risk & Governance team are responsible for the independent oversight of technology risk.

Section 172 (1) Statement

The Directors of the Company consider, both individually and collectively, that they have acted in the way that would most likely promote the success of the Company for the benefit of its members as a whole (having regard to relevant stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2023. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Directors considered these matters is set out in the Directors' report on pages 7 to 9.

The following sets out the requirements of section 172 (1) and notes how the Directors have discharged their duties. In doing so they have had regard to matters including those in respect of the Company's stakeholders, who are principally Macquarie Group's shareholders, employees, internal and external customers.

a) Likely consequences of any decision in the long term:

The Company is a wholly-owned subsidiary of MGL and the Macquarie Group and therefore complies with the policies and practices, ethical and business standards that are set by the MGL Board and are described in the MGL Annual Report. The following statement should therefore be read in conjunction with the MGL Annual Report.

Any decision taken is aligned with the strategy of the Company and the wider Macquarie Group and made in accordance with its Code of Conduct (the "Code") based on the three principles of Opportunity, Accountability and Integrity. Macquarie Group's purpose of 'empowering people to innovate and invest for a better future' is deeply embedded in its culture and is underpinned by these long-standing operating principles. Before a proposal is brought to the Board for approval, it will have gone through a series of internal approvals, in accordance with the MGL's risk management framework. Macquarie Group adopts a conservative approach to risk management which is underpinned by a sound risk culture. Macquarie Group's robust risk management framework and risk culture are embedded across all operations.

Strategic Report (continued)
for the financial year ended 31 March 2023

Section 172 (1) Statement (continued)

a) Likely consequences of any decision in the long term: (continued)

To facilitate good decision making, Directors meet as required with documentation circulated in advance. Where relevant this may include diligence on financial impacts, as well as non-financial factors to allow them to fully understand the performance and position of the Company, along with the matters that are to be discussed.

The principal activity of the company during the year was to act as a holding company for other Macquarie Group entities and to act as funding hub for other macquarie group UK entities. The majority of decisions made by the Board during the year were deemed to be routine in nature and were taken on a cyclical basis. Key decisions which the Board met to consider during the year were:

- the approval of the statutory financial statements of the Company; and
- the approval of an investment into an existing subsidiary of the Company.

b) Interests of the Company's workforce:

Though the Company itself does not have any direct employees (the Company utilises the services of employees employed by the Macquarie Group via a range of internal shared services agreements) the workforce's culture, values, behaviours, performance, and engagement drive how it serves its customers and interacts with suppliers.

c) Business relationships with suppliers, customers and others:

The Board is cognisant of the stakeholders of the Company and the importance of strong relationships, coupled with appropriate levels of communication and engagement.

Suppliers: Macquarie Group is committed to ensuring high standards of environmental, social and governance performance across its supply chain. This commitment is driven by our business principles. Macquarie Group has put in place a Supplier Governance Policy to manage the risks associated with suppliers who provide the Macquarie Group with high inherent risk goods or services, and also 'Principles for Suppliers' to help uphold our core values with the aim of having supplier relationships that create long-term and sustainable value for our clients, shareholders and community.

Customers: As a holding company for other Macquarie Group entities, the Company's customers are predominantly other Macquarie Group subsidiaries and affiliates. The Company was not required to make material commercial decisions relating to external customers during the year.

d) Community and the environment:

The Board and Management recognise the importance of sound Environmental, Social and Governance (ESG) practices as part of their responsibility to their clients, shareholders, communities, people and the environment in which the Company operates.

As a subsidiary of the Macquarie Group, the Company has committed to the Group's ESG approach, which is structured around focus areas considered to be material to our business. Assessing and managing Macquarie Group wide ESG risks is a key business priority and an important component of Macquarie's broader risk management framework, to which the Company is subject.

Clear dialogue with stakeholders is important to building strong relationships, understanding external dynamics, earning and maintaining trust, enhancing business performance and evolving our ESG approach. The Macquarie Group regularly engage with a broad range of stakeholders including clients, shareholders, investors, analysts, governments, regulators, the workforce, suppliers and the wider community.

Macquarie Group recognises that failure to manage ESG risks could affect communities, the environment and other external parties, and expose the organisation to commercial, reputational and regulatory impacts. Environmental and social risks ('ESR') are managed through the implementation of the ESR and Work Health and Safety ('WHS') policies. These are updated periodically to address opportunities for improvement and emerging issues.

Strategic Report (continued)
for the financial year ended 31 March 2023

Section 172 (1) Statement (continued)
d) Community and the environment (continued):

The Company has not individually committed to net zero emissions but forms part of Macquarie Group's net zero commitment. Macquarie Group has made a commitment to reach net zero emissions in its group-wide own business operations, across Scope 1 and 2 emissions by 2025 which can be found in the 2025 Sustainability Plan (available at Macquarie website) and to align its financing activity with the global net zero emissions goal by 2050. In line with the Net Zero Banking Alliance (NZBA) Guidelines, commitments relating to financing emissions are limited to on-balance sheet lending and equity investment activities.

It excludes on-balance sheet securities held for client facilitation and market making purposes (as opposed to held for investment). Lending refers to loan assets held at amortised cost and excludes certain items such as leasing, asset finance, trading assets and short-term financing (e.g. inventory finance). For motor vehicles, Macquarie Group has also included novated leases, given availability of both methodology and data. Macquarie Group has also published its first combined Group Net Zero and Climate Risk Report in December 2022 (available at Macquarie Group website).

The Board acknowledges the work of the Macquarie Group Foundation (Foundation), which drives social impact work for Macquarie Group. The Foundation supports Macquarie's people, businesses, and communities to build a better future, leveraging both financial and non-financial resources to achieve the greatest social impact possible.

e) Reputation for high standards:

The reputations of the Company and its Directors are fundamental to the long-term success of the Company and significant effort is expended to ensure that performance and processes attain and wherever possible exceed expectations. The Macquarie Group and the Company are committed to maintaining high ethical standards – adhering to laws and regulations, conducting business in a responsible way and treating all stakeholders with honesty and integrity. These principles are further reflected in the Code.

f) Need to act fairly as between members of the Company:

The Company is a separate legal entity and is therefore making this statement as such, but in practical terms, the Company is part of a wider group and in addition to promoting the success of the Company as a whole, the duties of the Directors of the Company are exercised in a way that is most likely to promote the success of the Company for the Macquarie group as a whole, while having regard to factors outlined in section 172(1) Companies Act 2006.

Other matters
Due to the nature of the business and the information provided elsewhere in this report, the Directors have decided not to include additional financial and non-financial key performance indicators (including with regard to environmental matters) in the Strategic report because they would not materially improve an understanding of the development, performance or position of the business.

On behalf of the Board

Jennifer Oswald
Director

13 December 2023

Directors' Report
for the financial year ended 31 March 2023

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

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

A Nottingham (resigned on 16 Jun 2023)
D Cifali (appointed on 29 Nov 2022)
H Coleman (resigned on 24 May 2022)
J Oswald (appointed on 16 Jun 2023)
R Thompson

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

H Everitt

Results
The profit for the financial year ended 31 March 2023 was £10,403,831 (2022: profit of £9,087,644).

Dividends
No dividend was paid or provided for during the current financial year (2022: £nil). No final dividend has been proposed.

State of affairs
Going Concern
The Company had excess of current liabilities over current assets at 31 March 2023 of £398,867,882. On 05 December 2023, the Company extended the term of loans amounting to GBP 91m from short term to long term, with maturity of 2 years, thus partially resolving the working capital deficiency. Additionally, Macquarie Financial Holdings Pty Limited, a Macquarie Group Company, provided a letter of comfort for a period of 14 months amounting to GBP 358m, stating its current intention to contribute funds directly or indirectly to the Company at such time as the Company may require to settle its liabilities. As at the date of this report, the Company thus will be able to meet its liabilities when they are due.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (which has been taken as at least 12 months from the date of approval of the financial statements). No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Events after the reporting period
At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2023 not otherwise disclosed in this report.

Directors' Report (continued)
for the financial year ended 31 March 2023

Likely developments, business strategies and prospects

Russia-Ukraine conflict

The risk presented by the Russia-Ukraine conflict is managed by the Company within the framework of the overall strategy and risk management structure of the Macquarie Group.

The continued impact and uncertainty surrounding the Russia-Ukraine conflict have been monitored throughout the year for the Company by RMG. There was no significant direct financial impact and the Company has continued to operate effectively throughout the period.

Global inflation and high interest rates

The Directors have assessed the impact of the high interest rate and high inflationary environment on the Company. During the current financial year, interest rates have increased substantially leading to a material increase in net interest income. There were no other material impacts on profitability or financial position of the Company.

The Directors believe that no other significant changes are expected other than those already disclosed in this report and the Strategic Report.

The principal activities, review of operations and the financial risk management objectives and policies of the Company and the exposure of the Company to credit risk, liquidity risk, interest rate risk, foreign exchange risk and operational 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 also at the date of approval of the financial statements. The ultimate parent purchased and maintained throughout the financial year Directors' liability insurance in respect of the Company and its Directors.

Statement of Directors' responsibilities in respect of the financial statements

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

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

Under Company law, 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 the financial statements, the Directors are required to:

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

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.

The Directors are also 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.

Directors' Report (continued)
for the financial year ended 31 March 2023

Streamlined energy and carbon reporting ("SECR") requirement
The Company consumed less than 40MWh for the financial year ended 31 March 2023 and for this reason the Company is not required to disclose energy and carbon information in this report.

Directors' confirmations
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
- the Directors 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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and, 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,

Jennifer Oswald
Director

13 December 2023

Financial Statements

Profit and loss account
for the financial year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	**7,240,081**	6,537,958
Administrative expenses	4	**(319,267)**	(197,991)
Other operating (expenses)/income	4	**(12,093,426)**	16,216,223
Operating (loss)/profit		**(5,172,612)**	22,556,190
Interest receivable and similar income	4	**93,206,843**	622,056
Interest payable and similar expenses	4	**(67,938,244)**	(1,584,358)
Amounts written off investments	4	**(6,319,638)**	(3,419,551)
Profit before taxation	4	**13,776,349**	18,174,337
Tax on profit	5	**(3,372,518)**	(9,086,693)
Profit for the financial year		**10,403,831**	9,087,644

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

Turnover and profit before taxation relates wholly to continuing operations.

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

Macquarie UK Holdings Limited
Company Number 02579363

Balance sheet
as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	6	**113,489,809**	125,694,487
Loan assets	9	**2,096,711,185**	1,156,276,622
Current assets			
Debtors	10	**207,710,772**	132,375,329
Current liabilities			
Creditors: amounts falling due within one year	11	**(606,578,654)**	(1,299,276,664)
Net current liabilities		**(398,867,882)**	(1,166,901,335)
Total assets less current liabilities		**1,811,333,112**	115,069,774
Creditors: amounts falling due after more than one year	12	**(1,692,776,454)**	(4,228,456)
Deferred tax liabilities	13	**(16,933,430)**	(19,621,921)
Net assets		**101,623,228**	91,219,397
Capital and reserves			
Called up share capital	14	**100**	100
Equity contribution from immediate parent entity in relation to share-based payments	15	**37,087,113**	37,087,113
Profit and loss account	16	**64,536,015**	54,132,184
Total Capital and reserves		**101,623,228**	91,219,397

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

The financial statements on pages 10 to 30 were approved for issue by the Board of Directors on 13 December 2023 and were signed on its behalf by:

Jennifer Oswald
Director

Statement of changes in equity
for the financial year ended 31 March 2023

	Note	Called up share capital £	Equity contribution from parent entity £	Profit and loss account £	Total Capital and reserves £
Balance as at 1 April 2021		**100**	**37,087,113**	**45,044,540**	**82,131,753**
Profit for the financial year	16	-	-	9,087,644	9,087,644
Balance as at 31 March 2022		**100**	**37,087,113**	**54,132,184**	**91,219,397**
Profit for the financial year	16	-	-	10,403,831	10,403,831
Balance as at 31 March 2023		**100**	**37,087,113**	**64,536,015**	**101,623,228**

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.

Notes to the financial statements for the financial year ended 31 March 2023

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.

The principal activity of the Company during the financial year ended 31 March 2023 was to act as an investment holding Company and to provide funding to other Macquarie related entities.

Note 2. Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101") and have been prepared in accordance with the provisions of the Companies Act 2006.

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

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

i) Going concern

As at 31 March 2023, the Company had net assets of £101,623,228 (2022: £91,219,397). The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (which has been taken as at least 12 months from the date of approval of the financial statements). No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

ii) 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 2023 of £398,867,882. On 05 December 2023, the Company extended the term of loans amounting to GBP 91m from short term to long term, with maturity of 2 years, thus partially resolving the working capital deficiency. Additionally, Macquarie Financial Holdings Pty Limited, a Macquarie Group Company, provided a letter of comfort for a period of 14 months amounting to GBP 358m from the date of this report, stating its current intention to contribute funds directly or indirectly to the Company at such time as the Company may require to settle its liabilities. As at the date of this report, the Company thus will be able to meet its liabilities when thev are due.

iii) Basis of measurement

The financial statements have been prepared in accordance with the Companies Act 2006 and under the historical cost convention except for the following items:

- financial instruments (including derivatives) required to be measured at fair value through profit or loss ("FVTPL").

iv) Disclosure exemptions

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 UK-adopted international accounting 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 International Accounting Standards ("IAS") 1 'Presentation of Financial Statements' to present comparative information in respect of Paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding);
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures);
- The requirements of IAS 7 'Statement of Cash Flows';
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation);
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group; 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 for the financial year ended 31 March 2023 (continued)

Note 2. Basis of preparation (continued)

v) Critical accounting estimates and significant judgements

The preparation of the financial statements in compliance 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:

- determining the appropriate business model for a group of financial assets which includes determining the level at which the business model condition is applied (Note 3(iv));
- assessing whether the cash flows generated by a financial asset constitute solely payments of principal and interest ("SPPI") may require the application of judgement, particularly for certain subordinated or non-recourse positions, and in the determination of whether compensation for early termination of a contract is reasonable (Note 3(iv));
- choice of inputs, estimates and assumptions used in the measurement of Expected Credit Losses ("ECL") including the determination of significant increase in credit risk ("SICR"), forecasts of economic conditions and the weightings assigned thereto (Note 3(xi));
- timing and amount of impairment of investment in subsidiaries, including the reversal thereof (Note 3(x));
- recoverability of tax receivables, deferred tax assets and measurement of current and deferred tax liabilities can require significant judgement, particularly where the recoverability of such tax balances relies on the estimation of future taxable profits and management's determination of the likelihood that uncertain tax positions will be accepted by the relevant taxation authority (Note 3(iii)); and
- fair value of assets (Note 3(iv)).

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 this financial report are reasonable. Actual results in the future may differ from those reported and it is therefore reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from management's assumptions and estimates could require an adjustment to the carrying amounts of the reported assets and liabilities in future reporting periods.

vi) New Accounting Standards and amendments to Accounting Standards and interpretations that are either effective in the current financial year or have been early adopted

The amendments to existing accounting standards that are effective for the annual reporting period beginning on 1 April 2022 did not result in a material impact to the Company's financial statements.

Note 3. Significant accounting policies

i) 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 Company operates. The Company's financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions and balances

At initial recognition, a foreign currency transaction is translated into the entity's functional currency using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary assets and liabilities are translated using the closing exchange rate;
- non-monetary items (including equity) measured in terms of historical cost in a foreign currency remain translated using the spot exchange rate at the date of the transaction; and
- non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date that the fair value was measured.

Foreign exchange gains and losses arising from the settlement or translation of monetary items, or non-monetary items measured at fair value are recognised in other operating income/(expense).

ii) Revenue and expense recognition

Net interest income/expense

Interest income and interest expense are recognised using the effective interest rate ("EIR") method for financial assets, and financial liabilities carried at amortised cost. The EIR method calculates the amortised cost of a financial instrument at a rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation of the EIR does not include ECL.

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).

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

ii) Revenue and expense recognition (continued)

Other operating (expense)/income

Other operating (expenses)/income comprises of investment income, net trading income, foreign exchange (losses)/gains, credit impairment charges and other income.

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

Investment income includes gains and losses arising from subsequent changes in the fair values of equity securities that are classified as fair value through profit or loss ("FVTPL") and dividends or distributions on these securities which represent the return on such investments. Impairment losses/reversal of impairment losses on these financial assets are not reported separately from other changes in fair value.

Dividends

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

Dividends or distributions are recognised when the right to receive a dividend or distribution is established, it is probable the economic benefits associated with the dividend will flow to the Company and the dividend can be measured reliably.

Judgement is applied in determining whether distributions from subsidiaries are to be recognised as dividend income or as a return of capital. Distributions that represent a return of capital are accounted for by the Company as a reduction to the cost of its investment and are otherwise recognised by the Company within investment income as part of other operating income when the recognition criteria are met.

Expenses

Expenses are recognised in the profit and loss account as and when the provision of services is received.

iii) Taxation

The balance sheet approach to tax effect accounting has 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 basis of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Deferred tax liabilities are recognised when such temporary differences give rise to taxable amounts that are payable in future periods. Deferred tax 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 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 on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current tax assets and liabilities are offset when there is a legally enforceable right to offset and an intention to either settle on a net basis or realise the asset and settle the liability simultaneously.

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

Factors considered include the ability to offset tax losses, the nature of the tax loss, the length of time that tax losses are eligible for carry forward to offset against future taxable profits and whether future taxable profits are expected to be sufficient to allow recovery of deferred tax assets.

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 and interpretation of the law. Uncertain tax positions are presented as current or deferred tax assets or liabilities with reference to the nature of the underlying uncertainty.

Value-Added Tax (VAT)

Where VAT is not recoverable from tax authorities, it is either capitalised to the balance sheet as part of the cost of the related asset or is recognised in the profit and loss account. Where VAT is recoverable from or payable to tax authorities, the amount is recorded as a separate asset or liability in the balance sheet.

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

iv) 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.

The best evidence of a financial instrument's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only inputs from observable markets. When significant unobservable inputs are used to determine fair value, the day 1 profit or loss is deferred and is is recognised in other operating income over the life of the transaction or when the inputs become observable.

Financial instruments arising in multiple transactions are accounted for as a single arrangement if this best reflects the substance of the arrangement. Factors considered in this assessment include whether the financial instruments:
- are entered into at the same time and in contemplation of one another;
- have the same counterparty;
- relate to the same risk;
- there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction; or
- consideration of whether each of the financial instruments has its own terms and conditions and each may be transferred or settled separately.

De-recognition of financial instruments

Financial assets

Financial assets are de-recognised from the balance sheet when:
- the contractual rights to cash flows have expired; or
- the Company has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset.

A financial asset is transferred if, and only if, the Company:
i) transfers the contractual rights to receive the cash flows of the financial asset; or
ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where the Company is:
- not obligated to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- prohibited from selling or pledging the original asset other than as security to the eventual recipients; and
- obligated to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. Any interest in the transferred and derecognised financial asset that is created or retained by the Company is recognised as a separate asset or liability.

In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement as determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

Financial liabilities are derecognised from balance sheet when the Company's obligation has been discharged, cancelled or has expired.

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 uses judgement in determining the business model at the level that reflects how groups of financial assets are managed together to achieve a particular business objective. 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 business model and the financial assets held within that business model is evaluated and reported to the Macquarie Group's Senior Management personnel and senior executives;
ii. the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
iii. how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

iv) Financial instruments (continued)

Classification and subsequent measurement (continued)

Solely payment of principal and interest ("SPPI")

The contractual cash flows of a financial asset are assessed to determine whether these represent SPPI on the principal amount outstanding. This includes an assessment of whether cash flows reflect primarily reflect consideration for the time value of money and credit risk of the principal outstanding. Interest may also include consideration for other basic lending risks and costs.

Amortised cost

A financial asset is subsequently measured at amortised cost using the EIR method where:
(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 classified as designated fair value through profit and loss ("DFVTPL").

Interest income determined in accordance with the EIR method is recognised as part of interest and similar income.

Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria to be measured at amortised cost or fair value through other comprehensive income ("FVOCI") are subsequently measured at FVTPL.

For the purposes of the Company's financial statements, the FVTPL classification consists of the following:
- financial assets that are held for active trading (HFT), which are measured at FVTPL. This classification includes all derivative financial assets, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVPTL;
- 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 (FVTPL);
- financial assets that fail the SPPI test (FVTPL); and
- financial assets that have been designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch (DFVTPL).

Equity financial assets that are not held for active trading are measured at FVTPL. Subsequent changes in fair value are recognised as investment income within Other operating income.

Subsequent changes in the fair value of debt financial assets are measured at FVTPL are presented as follows:
- Changes in the fair value of financial assets that are classified as HFT and financial assets managed on a fair value basis are recognised in net trading income;
- Changes in the fair value of debt financial investments and loans to associates and joint ventures that fail SPPI are recognised in investment income as part of other operating (expenses)/income; and
- Changes in the fair value of all other FVTPL and DFVTPL financial assets are recognised as part of other income and charges within other operating (expenses)/income.

Where applicable, the interest component of financial assets is recognised as interest and similar income.

Reclassification of financial instruments

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

The Company does not reclassify financial liabilities after initial recognition.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

All derivative liabilities are classified as HFT, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVTPL. Refer to Note 3(v) Derivative instruments and hedging activities for the detailed hedge accounting policy.

Where applicable, the interest component of financial liabilities is recognised as interest and similar expense.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported on the balance sheet, when there is a current 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.

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

iv) Financial instruments (continued)

v) Derivative instruments and hedging activities

Derivative instruments entered into by the Company include forwards and forward rate agreements. These derivative instruments are principally used by the Company for the purposes of risk management of existing financial assets and liabilities and forecast transactions.

Derivatives are recognised in the balance sheet as an asset where they have a positive fair value at the reporting date or as a liability where they have a negative fair value at the reporting date.

Derivatives that may have both positive or negative values must meet both the asset and liability derecognition tests before it is derecognized from the balance sheet.

Fair values are obtained from quoted prices in active markets where available, or valuation techniques including discounted cash flow models and option pricing models, as appropriate. The accounting for derivatives is subject to the application of the day 1 profit or loss policy as described in Note 3(iv) Financial instruments.

The Company applies trade date accounting.

vi) Hedge accounting

As part of its ongoing business, the Company is exposed to several financial risks, principally that of foreign exchange risk arising from fluctuations in 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). The Company applies hedge accounting to manage accounting mismatches arising from the difference in measurement basis or location of the gains and losses recognised between the exposure that is being hedged and the hedging instrument.

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 described below:

Fair value hedge

- 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.
- 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.

vii) Financial investments

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

Financial investments are initially recognised on trade date at fair value (adjusted for directly attributable transaction costs for debt investments subsequently measured at amortised cost or FVOCI) and subsequently measured in accordance with Note 3(iv) Financial Instruments.

viii) Loan assets

This category includes loans that are not held for trading purposes and typically includes the Company's lending activities to its customers.

Loan assets are initially recognised on settlement date at fair value (adjusted for directly attributable transaction costs for loan assets subsequently measured at amortised cost or FVOCI) and subsequently measured in accordance with Note 3(iv) Financial Instruments.

Notes to the financial statements
for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

ix) Due to/from related entities

Transactions between the Company and its related entities principally arise from the provision of lending arrangements and acceptance of funds on deposit are accounted for in accordance with Note 3(ii) Revenue and expense recognition and Note 3(iv) Financial Instruments. Financial assets and financial liabilities are presented net where the offsetting requirements are met (Note 3(iv)), such that the net amount is reported in the balance sheet.

x) Investments

Investment in subsidiaries

Subsidiaries are all those entities (including structured entities) over which the Company has:
- the power to direct the relevant activities of the entity;
- exposure, or rights, to significant variable returns; and
- the ability to utilise power to affect the entity'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 provide it with the current ability to direct the entity's relevant activities, being those activities that significantly affect the entity's returns. 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 its exposure, or rights, to variable returns by considering the magnitude and variability associated with its economic interests.

All variable returns are considered in making that assessment including, but not limited to, returns from 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.

Investment in subsidiaries are assessed for impairment at each reporting date, refer to Note 3(xi) Impairment.

xi) 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 issued that are not DFVTPL. 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 information ("FLI").

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 1 – 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, ECL is determined based on the probability of default ("PD") over the next 12 months and the lifetime losses associated with such PD, adjusted for FLI. Stage 1 also includes financial assets where the credit risk has improved and has been reclassified from stage 2.

(ii) Stage 2 – 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 lifetime PD and the lifetime losses associated with that PD, adjusted for FLI. The Company exercises judgement in determining whether there has been a SICR since initial recognition based on qualitative, quantitative, and reasonable and supportable information that includes FLI.

Use of 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 adjusted, where appropriate, for prepayments, extension, call and similar options, of the financial asset. For revolving facilities, the Company exercises judgement based on the behavioural, rather than contractual characteristics of the facility type. Stage 2 may include financial assets where the credit risk has improved and has been reclassified from stage 3.

(iii) Stage 3 – Lifetime ECL credit-impaired

Financial assets are classified as Stage 3 where they are determined to be credit impaired, which generally matches the definition of default. 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 for portfolios of exposure, ECL is measured as the product of the lifetime PD, the loss given default ("LGD") and the exposure at default ("EAD"), adjusted for FLI.

Notes to the financial statements for the financial year ended 31 March 2023 (continued)

Note 3. Significant accounting policies (continued)

xi) Impairment (continued)

(iii) Stage 3 – Lifetime ECL credit-impaired (continued)

Presentation of loss allowances

The loss allowances for ECL are presented in the balance sheet as follows:

- Loan assets and Amounts due from other Macquarie group entities, measured at amortised cost – as a deduction to the gross carrying amount.

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

Impairment of 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. The amount of any reversal of impairment recognised must not cause the investment's carrying value to exceed its original cost.

Impairment losses are recognised in other impairment charges as part of other operating income/expenses for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

xii) Called up share capital

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

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

	2023 £	2022 £
Note 4. Profit before taxation		
Profit before taxation is stated after crediting/(charging):		
Turnover:		
Dividend income	**7,240,081**	6,537,958
Total turnover	**7,240,081**	6,537,958
Administrative expenses		
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company[1]	**(80,412)**	(159,300)
Resource charge from Macquarie Group undertakings	**(209,658)**	(37,660)
Other administrative expenses	**(29,197)**	(1,031)
Total administrative expenses	**(319,267)**	(197,991)
Other operating (expenses)/income:		
Net (loss)/gain on equity investments[2]	**(10,727,817)**	18,690,771
Net trading income/(loss)	**288,546**	(75,905)
Foreign exchange losses	**(248,501)**	(942,557)
Credit impairment charges	**(1,406,249)**	(1,456,362)
Other income	**595**	276
Total other operating (expenses)/income	**(12,093,426)**	16,216,223
Operating (loss)/profit	**(5,172,612)**	22,556,190
Amounts written off investments		
Amounts written off investments	**(6,319,638)**	(3,419,551)
Total Amounts written off investments	**(6,319,638)**	(3,419,551)
Interest		
Interest receivable and similar income from:[3]		
Other Macquarie Group undertakings	**93,206,843**	622,056
Total interest receivable and similar income	**93,206,843**	622,056
Interest payable and similar expenses to:[4]		
Other Macquarie Group undertakings	**(67,938,244)**	(1,584,358)
Total interest payable and similar expenses	**(67,938,244)**	(1,584,358)

[1]Fees payable to the Company's auditors for current year includes £Nil (2022: £117,237) relating to the previous year.
[2]Fair value gain and losses from equity financial investments that have been classified as FVTPL.
[3]Includes interest income calculated using effective interest method of £93,206,843 (2022: £622,056) on the financial assets in the Company that are measured at amortised cost.
[4]Includes interest expense of £67,938,244 (2022: £1,584,358) on the financial liabilities measured at amortised cost.

The Company had no employees during the current and previous financial year.

	2023 £	2022 £
Note 5. Tax on profit		
(i) Tax expense included in profit or loss		
Current tax		
UK corporation tax at 19% (2022: 19%)	**(6,115,568)**	(833,267)
Adjustment in respect of previous periods	**54,559**	(9)
Foreign tax suffered	**(519,010)**	(465,357)
Double tax relief	**519,010**	465,357
Total current tax	**(6,061,009)**	(833,276)

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

	2023 £	2022 £
Note 5. Tax on profit (continued)		
Deferred tax		
Origination and reversal of temporary differences	**2,043,253**	(3,544,154)
Effect of changes in tax rates	**645,238**	(4,709,263)
Total deferred tax	**2,688,491**	(8,253,417)
Tax on profit	**(3,372,518)**	(9,086,693)

(ii) Reconciliation of effective tax rate

The income tax expense for the period is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

Profit before taxation	**13,776,349**	18,174,337
Current tax charge at 19% (2022: 19%)	**(2,617,506)**	(3,453,124)
Effect of:		
Adjustment in respect of previous periods	**54,559**	(9)
Expenses not deductible for tax purposes	**(1,454,809)**	(926,423)
Double tax relief	**(519,010)**	(465,357)
Foreign tax suffered	**519,010**	465,357
Effect of rate change	**645,238**	(4,709,263)
Non assessable income	**-**	2,126
Total tax on profit	**(3,372,518)**	(9,086,693)

The UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Note 6. Investments		
Financial investments (Note 7)	**113,294,421**	125,499,101
Investments in subsidiaries (Note 8)	**195,388**	195,386
Total investments	**113,489,809**	125,694,487

Note 7. Financial investments		
Equity securities		
Listed[1]	**113,288,160**	125,492,773
Unlisted[2]	**6,261**	6,328
Total financial investments	**113,294,421**	125,499,101

[1]Investment in Macquarie Korea Infrastructure Fund ("MKIF") measured at FVTPL.

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

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

Note 7. Financial investments (continued)

Name of investment	Nature of business	Place of incorporation	% ownership	2023 £	2022 £
Macquarie Korea Infrastructure Fund	Infrastructure investment	18th Floor, Unit A, Centropolis, 26 Ujeongguk-ro, Jongno-gu, Seoul, 03161, Republic of Korea	**3.6**	**113,288,160**	125,492,773
Macquarie Korea Opportunities Fund	Infrastructure investment	18th Floor, Unit A, Centropolis, 26 Ujeongguk-ro, Jongno-gu, Seoul, 03161, Republic of Korea	**5.8**	**6,261**	6,328
Total				**113,294,421**	125,499,101

Note 8. Investments in subsidiaries

	Investments at cost with provisions for impairment £	Provisions for impairment[1] £	Total £
Opening balance at 1 April 2022	**18,643,963**	**(18,448,577)**	**195,386**
Addition	**6,319,640**	**(6,319,638)**	**2**
Foreign exchange revaluation	**(308,863)**	**308,863**	**-**
Total investments in subsidiaries at 31 March 2023	**24,654,740**	**(24,459,352)**	**195,388**

	Investments at cost with provisions for impairment £	Provisions for impairment[1] £	Total £
Opening balance at 1 April 2021	18,947,813	(15,132,262)	3,815,551
Addition	190,747	(3,316,315)	(3,125,568)
Foreign exchange revaluation	(494,597)	-	(494,597)
Total investments in subsidiaries at 31 March 2022	18,643,963	(18,448,577)	195,386

[1]In accordance with the Company's accounting policies the Company reviewed its investments in subsidiaries for indicators of impairment. Where its investments had indicators of impairment, the investments' carrying value was compared to its recoverable value which was determined to be its fair value less costs to sell (valuation). A range of valuations of the investments in the subsidiaries, including associated stress tests, were used that demonstrated that no additional impairment loss was required to be recognised by the Company during the year.

The material subsidiaries of the Company, based on contribution to the Company's profit after income tax, the size of the investment made by the Company or the nature of activities conducted by the subsidiary, are:

Name of investment	Nature of business	Place of incorporation	% Ownership[1]	2023 £	2022 £
Goonzaran Bluebell Leasing Limited[2]	Leasing	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	**100**	**3,490**	3,490

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

Note 8. Investments in subsidiaries (continued)

Name of investment	Nature of business	Place of incorporation	% Ownership[1]	2023 £	2022 £
UK NPD Investments GP Limited	General partner	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	100	100
UK PPP Investments GP Limited	General partner	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	1
MQ PPP Investments Ireland GP Limited	General partner	1st Floor, Connaught House 1 Burlington Road Dublin 4 Ireland	100	1	1
UK Platform GP Limited	Dormant Company	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	1
Euro Investco PPP Ireland GP Limited	General partner	1st Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland	100	1	1
Euro III PPP Platform GP Limited (Dissolved on 30th May 2023)	Dormant Company	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	1
Scheldt Investco PPP Ireland GP Limited	General partner	1st Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland	100	1	1
Euro II PPP Platform GP Limited (Dissolved on 30th May 2023)	Dormant Company	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	1
Shannon Investco PPP Ireland GP Limited	General partner	1st Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland	100	1	1

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

Note 8. Investments in subsidiaries (continued)

Name of investment	Nature of business	Place of incorporation	% Ownership[1]	2023 £	2022 £
Euro PPP Platform GP Limited	Dormant Company	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	**1**	1
Euro IV PPP Platform GP Limited (Dissolved on 30th May 2023)	General partner	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	**1**	1
Rijn InvestCo PPP Ireland GP Limited	General partner	1st Floor, Connaught House, 1 Burlington Road, Dublin 4, Ireland	100	**1**	1
GGB inBalans Investco Ireland GP Limited	General partner	1st Floor, Connaught House 1 Burlington Road Dublin 4 Ireland	100	**78**	78
Hermes Infrastructure Investco Ireland GP Limited	General partner	1st Floor, Connaught House,1 Burlington Road, Dublin 4 Ireland	100	**756**	756
Macquarie Capital (Korea) Limited[3]	Financial Advisory Service	18th Floor, Unit A, Centropolis, 26 Ujeongguk-ro, Jongno-gu, Seoul, 03161, Republic of Korea	100	**-**	-
Purple Investco PPP Limited	General partner	1st Floor, Connaught House 1 Burlington Road Dublin 4 D04 C5Y6 Ireland	100	**1**	1
Euro V PPP Platform GP Limited (Dissolved on 30th May 2023)	Holding company	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	**1**	1
UK PPP Transportation GP Limited	General partner	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	**100**	100
UK PPP Transportation No 3 Limited	General partner	1st Floor, Connaught House 1 Burlington Road Dublin 4 D04 C5Y6 Ireland	100	**100**	100

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

Note 8. Investments in subsidiaries (continued)

Name of investment	Nature of business	Place of incorporation	% Ownership[1]	2023 £	2022 £
Edammer GP Limited	General partner	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	1	1
Edammer Investco PPP Limited	General partner	1st Floor, Connaught House 1 Burlington Road Dublin 4 D04 C5Y6 Ireland	100	1	1
HC Three Investments SpA	General partner	28th Floor, Santiago, Región Metropolitana de Santiago, Chile	100	190,747	190,747
Ibsen GP Limited	General partner	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	-
Ibsen Investco PPP Limited	General partner	First Floor, Connaught House 1 Burlington Road Dublin 4 D04 C5Y6 Ireland	100	1	-
Total investments in subsidiaries				195,388	195,386

[1]There is no change in percentage ownewship from previous year.
[2]The carrying value includes an investment of USD$2 (2022: USD$2)in redeemable preference shares issued by Goonzaran Bluebell Leasing Limited.
[3]During the year the Company has fully impaired investment in Macquarie Capital (Korea) Limited.

All material subsidiaries have a 31 March reporting date.

Note 9. Loan assets

	2023 Gross £	2023 ECL allowance £	2023 Net £	2022 Gross £	2022 ECL allowance £	2022 Net £
Due from related entities[1]	2,099,477,142	(2,765,957)	2,096,711,185	1,157,687,220	(1,410,598)	1,156,276,622
Total loan assets	2,099,477,142	(2,765,957)	2,096,711,185	1,157,687,220	(1,410,598)	1,156,276,622

[1]The above amounts are expected to be recovered after 12 months of the reporting date by the Company.

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

Note 10. Debtors	2023 £	2022 £
Amounts owed by other Macquarie Group undertakings[1]	202,918,320	70,623,856
Other financial market assets[2]	1,257,032	51,513,141
Taxation	-	10,238,327
Dividend receivable	3,534,591	-
Other debtors	829	5
Total debtors	207,710,772	132,375,329

[1]Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment.

[2]Other financial market assets represents derivative instruments held at FVTPL (Note 20)

At the reporting date, amounts owed from other Macquarie Group undertakings has ECL allowance of £14,575 (2022: £53,154) which is net presented against the gross carrying amount.

Note 11. Creditors: amounts falling due within one year

Amounts owed to other Macquarie Group undertakings[1]	(601,473,854)	(1,248,078,211)
Other financial market liabilities[2]	-	(51,198,453)
Taxation	(5,104,800)	-
Total creditors: amounts falling due within one year	(606,578,654)	(1,299,276,664)

[1] Amounts owed to other Macquarie Group undertakings are unsecured and have no fixed date of repayment.

[2]Other financial market liabilities represents derivative instruments held at FVTPL (Note 20)

Note 12. Creditors: amounts falling due after more than one year

Amounts owed to other Macquarie Group undertakings	(1,692,776,454)	(4,228,456)
Total creditors: amounts falling due after more than one year	(1,692,776,454)	(4,228,456)

Amounts due to other Macquarie Group undertakings have multiple maturity periods with years of maturity ranging from 2024 to 2032.

The Company has not had any defaults of principal, interest or other breaches with respect to its debt during the financial years reported.

Note 13. *Deferred tax liabilities*

The balance comprises temporary differences attributable to:

	Investments £	Financial instruments £	Total £
Balance as at 1 April 2021	(11,348,635)	(19,869)	(11,368,504)
Deferred tax (charged)/credited to profit and loss account for the period	(8,253,673)	256	(8,253,417)
Balance as at 31 March 2022	(19,602,308)	(19,613)	(19,621,921)
Deferred tax credited to profit and loss account for the period	**2,681,954**	**6,537**	**2,688,491**
Balance as at 31 March 2023	**(16,920,354)**	**(13,076)**	**(16,933,430)**

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

Note 14. Called up share capital

	2023 Number of shares	2022 Number of shares	2023 £	2022 £
Called up share capital				
Opening balance of fully paid ordinary shares at £1 per share	**100**	100	**100**	100
Closing balance of full paid ordinary shares at £1 per share	**100**	100	**100**	100

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

	2023	2022
	£	£

Note 15. Contribution from immediate parent entity in relation to share-based payments

Equity contribution from immediate parent entity in relation to share-based payments		
Opening balance of equity contribution from immediate parent entity	**37,087,113**	37,087,113
Closing balance of contribution from immediate parent entity	**37,087,113**	37,087,113

Note 16. Profit and loss account

Profit and loss account		
Balance at the beginning of the financial year	**54,132,184**	45,044,540
Profit for the financial year	**10,403,831**	9,087,644
Balance at the end of the financial year	**64,536,015**	54,132,184

Note 17. 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 21.

The Master Loan Agreement (the "MLA") governs the funding arrangements between various subsidiaries and related body corporate entities which are under the common control of MGL and have acceded to the MLA. The Tripartite Outsourcing Major Services Agreement (TOMSA) governs the provision of intra-group services between subsidiaries and related body corporate entities other than certain excluded entities.

Relationships with an entity which is not a party to the MLA have been presented on a gross basis.

The Company received dividend income from Macquarie Korea Infrastructure Fund in the amount of £7,240,081 (2022: £6,537,958).

The Company does not have other related party transactions or balances other than those with entities which form part of the Macquarie Group as mentioned above. All transactions with related entities were made on normal commercial terms and conditions and at market rates except where indicated.

Investments held by Company's subsidiaries:

Name of related party[1]	Registered office/Place of incorporation	% Ownership	Class of shares
Subsidiaries of Euro Investco PPP Ireland GP Limited			
Euro PPP Platform Limited Partnership	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100*	Partnership Interest
Parachute Investments Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary Shares
Subsidiaries of Goonzaran Bluebell Leasing Limited			
Goonzaran Bluebell Funding Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary Shares
Subsidiaries of Goonzaran Bluebell Funding Limited			
The Bluebell Transportation LLP	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	99.995[2]	Partnership Interest
The Goonzaran LLP	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	99.995[2]	Partnership Interest

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

Note 17. Related party information (continued)

Investments held by Company's subsidiaries (continued):

Name of related party[1]	Registered office	% Ownership	Class of shares
Subsidiaries of Purple Investco PPP Limited			
Euro V PPP Platform Limited Partnership	1st Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland	100	Partnership Interest
Subsidiaries of Rijn InvestCo PPP Ireland GP Limited			
Euro IV PPP Platform Limited Partnership	1st Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland	100*	Partnership Interest
Subsidiaries of Scheldt Investco PPP Ireland GP Limited			
Euro III PPP Platform Limited Partnership	1st Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland	100*	Partnership Interest
Subsidiaries of Shannon Investco PPP Ireland GP Limited			
EIH PPP Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary Shares
Eriugena Investments Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100	Ordinary Shares
Eriugena Holdings Limited	Mona Villa, Commons Road, Brownsbarn, Dublin 22, Ireland	100	Ordinary Shares
Eriugena Designated Activity Company	Mona Villa, Commons Road, Brownsbarn, Dublin 22, Ireland	100	Ordinary Shares
Euro II PPP Platform Limited Partnership	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	100*	Partnership Interest
Subsidiaries of UK PPP Investments GP Limited			
UK PPP Investments LP	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD, United Kingdom	99*	Partnership Interest
Wigg (Holdings) Limited	5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ, United Kingdom	100	Ordinary Shares
Wigg Investments Limited	5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ, United Kingdom	100	Ordinary Shares

[1]Above list is for indirect subsidiaries, for list of direct subsidiaries refer note 8-Investments in subsidiaries.

[2]The percentage ownership is expressed as the capital contributed by the members.

*Represents beneficial interest in partnership as general partner.

Note 18. Directors' remuneration

During the financial years ended 31 March 2023 and 31 March 2022, 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.

Note 19. Contingent liabilities and commitments

The Company has no commitments or contingent liabilities which are individually material or a category of commitments or contingent liabilities which are material (2022: nil).

Note 20. Derivative financial instruments

The Company's derivative financial instruments consist of foreign exchange forward contracts. The derivative financial instruments have been used to hedge its equity investments and investments in subsidiaries. This application is further described in Note 3(v) Derivative instruments and hedging activities.

Forwards: Forward contracts, which resemble futures contracts, are an agreement between two parties that a financial instrument or commodity will be traded at a fixed price and fixed date in the future. A forward rate agreement provides for two parties to exchange interest rate differentials based on an underlying principal amount at a fixed date in the future.

As at 31 March 2023, the fair value of outstanding derivatives held by the Company was £1,257,032 positive value (2022: £314,688 positive value). Of this amount, £nil was designated as fair value hedge (2022: £nil).

Notes to the financial statements (continued)
for the financial year ended 31 March 2023

Note 21. Ultimate parent undertaking

At 31 March 2023, the immediate parent undertaking of the Company is Macquarie Corporate International Holdings Pty Limited.

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

Note 22. Events after the reporting date

There were no other material events subsequent to 31 March 2023 and up until the authorisation of the financial statements for issue, that have not been reflected in the financial statements.

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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, including 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 2023; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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 in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential for manual journal entries being recorded in order to manipulate financial performance, and applying management bias in the determination of accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inquiries of management and those charged with governance, including review of meeting minutes in so far as they relate to the financial statements, and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Incorporating an element of unpredictability into the nature, timing and/or extent of our testing;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Applying risk-based criteria to all journal entries posted in the audit period, including consideration of backdated entries, post-close entries and those journals posted by a defined group of unexpected users.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.

L M Stent

Lauren Stent (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 December 2023