

MACQUARIE INTERNATIONALE INVESTMENTS LIMITED

COMPANY NUMBER 4957256

Strategic Report, Directors' Report and Financial Statements
for the financial year ended 31 March 2014



MACQUARIE

The Company's registered office is:

Ropemaker Place
28 Ropemaker Street
London EC2Y 9HD

Macquarie Internationale Investments Limited

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Macquarie Internationale Investments Limited

Strategic Report

For the financial year ended 31 March 2014

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

Principal activities

The principal activity of the Company is to act as an investment holding company for the following investments:

Macquarie International Holdings Limited ("MIHL"), which acts as a holding company for a number of Asian subsidiaries;

Macquarie Capital Securities (Japan) Limited ("MCSJL"), which operates as a Japanese stockbroking company;

Macquarie Korea Opportunities Management, Ltd ("MKOM"), which acts as manager for the Macquarie Korea Opportunities Fund;

Macquarie Securities Korea Limited ("MSKL"), which operates a securities and derivatives dealing business; and

Macquarie Credit Nexus Holdings Limited ("MCNHL"), which acts as a parent of another Cayman Island company.

Review of operations

The loss for the financial year ended 31 March 2014 was £6,414,241 as compared to a profit of £13,494,477 in the prior year. The decrease is mainly as a result of less dividend income being received in the current year.

Operating profit for the year ended 31 March 2014 was £4,920,159, a decrease of 80 per cent on the prior year.

Net operating income for the year ended 31 March 2014 was £1,277,740, a decrease of 15 per cent on the prior year.

Creditor payment policy

It is the Company's policy to agree the terms of payment to creditors at the start of business with that supplier, ensure that suppliers are aware of the terms of payment and to pay in accordance with its contractual and other legal obligations.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Macquarie Group and are not managed separately. Accordingly, the principal risks and uncertainties of Macquarie Group Limited ("MGL"), which include those of the Company, are discussed in its financial statements and can be obtained from the address given in Note 19.

Key performance indicators (KPIs)

Given the straightforward nature of the business and the information provided elsewhere in this report, the Directors are of the opinion that the production of KPIs in the Strategic Report is not necessary for an understanding of the development, performance or position of the business. KPIs are monitored at the Macquarie Group level.

Strategic Report (Continued) For the financial year ended 31 March 2014

Financial risk management

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

As ultimately an indirect subsidiary of MGL, the Company manages risk within the framework of the overall strategy and risk management structure of the Macquarie Group. RMG is independent of all other areas of the Macquarie Group, reporting directly to the Managing Director and the Board of MGL. The Head of RMG is a member of the Executive Committee of MGL. RMG authority is required for all material risk acceptance decisions. RMG identifies, quantifies and assesses all material risks and sets prudential limits. Where appropriate, these limits are approved by the Executive Committee and the Board of MGL.

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

Credit risk

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

Liquidity risk

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

Interest rate risk

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

Foreign exchange risk

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

On behalf of the Board



Director

26 September 2014

Macquarie Internationale Investments Limited

Directors' Report for the financial year ended 31 March 2014

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

Directors and Secretaries

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

M Gummer
R Thompson
J Wentzel

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

E Doornenbal	(resigned on 30 May 2013)
H Everitt	(appointed on 29 May 2013)
J Greenfield	(resigned on 3 May 2013)
O Shepherd	(appointed on 28 November 2013)

Results

The loss for the financial year ended 31 March 2014 was £6,414,241 (2013: £13,494,477 profit) .

Dividends paid or provided for

No interim dividends were paid during the financial year (2013: £18,000,000). No final dividend has been proposed.

State of affairs

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

Events after Reporting Year

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 2014 not otherwise disclosed in this report.

Likely developments, business strategies and prospects

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

Indemnification and insurance of Directors

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

Macquarie Internationale Investments Limited

Directors' Report (continued) for the financial year ended 31 March 2014

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Disclosure of information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps necessary in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

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

On behalf of the Board



Director
26 September 2014

Independent Auditor's Report to the members of Macquarie Internationale Investments Limited

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Macquarie Internationale Investments Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended;
- the Statement of total recognised gains and losses; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report, Directors' Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditor's Report to the members of Macquarie Internationale Investments Limited (continued)

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.



Carl Sizer (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

26 September 2014

Macquarie Internationale Investments Limited

Financial Statements

Profit and loss account for the financial year ended 31 March 2014

	Notes	2014 £	2013 £
Turnover	1	3,642,419	23,404,486
Administrative expenses		(19,492)	(29,743)
Other operating income	2	1,297,232	1,532,071
Operating profit		4,920,159	24,906,814
Interest receivable and similar income	3	2,996,060	6,870,983
Interest payable and similar charges	4	(16,755,488)	(21,147,124)
(Loss)/Profit on ordinary activities before taxation	2	(8,839,269)	10,630,673
Tax on (loss)/profit on ordinary activities	5	2,425,028	2,863,804
(Loss)/Profit for the financial year	12	(6,414,241)	13,494,477

The above profit and loss account should be read in conjunction with the accompanying notes on pages 11 to 18.

Turnover and (loss)/profit on ordinary activities before taxation relate wholly to continuing operations.

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents.

Macquarie Internationale Investments Limited

Statement of total recognised gains and losses for the financial year ended 31 March 2014

	Notes	2014 £	2013 £
(Loss)/Profit for the financial year		(6,414,241)	13,494,477
Other recognised losses:			
Currency translation differences arising during the financial year	12	(237,362)	(112,870)
Total recognised (losses)/gains for the financial year		(6,651,603)	13,381,607
Total recognised (losses)/gains for the financial year are attributable to:			
Ordinary equity holders of Macquarie Internationale Investments Limited		(6,651,603)	13,381,607

The above statement of total recognised gains and losses should be read in conjunction with the accompanying notes on pages 11 to 18.

Macquarie Internationale Investments Limited

Balance sheet for the financial year ended 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	7	784,228,661	828,041,528
Current assets			
Cash at bank	8	8,182,871	2,503,914
Debtors	9	65,910,651	74,680,866
Creditors: amounts falling due within one year	10	(658,536,646)	(698,789,168)
Net current liabilities		(584,443,124)	(621,604,388)
Total assets less current liabilities		199,785,537	206,437,140
Capital and reserves			
Called up share capital	11	234,092,157	234,092,157
Other reserves	12	786,762	1,024,124
Profit and loss account	12	(35,093,382)	(28,679,141)
Total shareholders' funds	13	199,785,537	206,437,140

The above balance sheet should be read in conjunction with the accompanying notes on pages 11 to 18.

The financial statements on pages 8 to 18 were approved by the board of directors on 26 September 2014 and were signed on its behalf by:



Director

26 September 2014

Macquarie Internationale Investments Limited

Notes to the financial statements for the financial year ended 31 March 2014

Note 1. Summary of significant accounting policies

i) Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006, and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The principal accounting policies adopted in the preparation of this financial report and that of the previous financial year are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

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 2014 of £584,443,124. Included in the Company's current liabilities are amounts owing to other Macquarie Group undertakings of £648,689,456. The signing authorities of Macquarie Financial Holdings Limited ("MFHL") have given a Letter of Comfort providing that funds will be contributed to the Company to assist in settling its liabilities, where the Company has insufficient liquidity. The Letter of Comfort enables the Company to pay its debts as and when they fall due and therefore the financial statements have been prepared on a going concern basis.

New accounting standards that are not yet effective

FRS 100 Application of Financial Reporting Requirements, FRS 101 Reduced Disclosure Framework and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The three standards will replace the existing United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice ("UK GAAP")).

FRS 100 sets out the financial reporting requirements for UK and Republic of Ireland entities. The framework provides entities with the option for the basis of preparation of the financial statements; Financial Reporting Standard for Smaller Entities ("FRSSE") (only for eligible entities), FRS 101, FRS 102 or EU-adopted International Financial Reporting Standards ("IFRS").

FRS 101 sets out a reduced disclosure framework which addresses the financial reporting requirements and disclosure exemptions for the individual financial statements of subsidiaries and ultimate parents that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. Financial statements prepared under the standard will be defined as Companies Act financial statements under the Companies Act 2006.

FRS 102 provides a single financial reporting standard that applies to the financial statements of entities that are not applying EU-adopted IFRS or FRS 101. The FRS requirements are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") but have retained some of the accounting options which exist under the existing UK GAAP and are permitted under IFRS but are not included within IFRS for SMEs.

The standards are effective for annual reporting beginning on or after 1 January 2015 with early application permitted. The Company is continuing to assess the full impact of the implementation of these standards.

ii) Foreign currency translations

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the local currency using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Under SSAP 20 Foreign Currency Translation, fixed asset investments denominated in currencies other than Sterling which are financed by foreign borrowings, are translated to Sterling using the rate of exchange ruling at the balance sheet date. The gains or losses on translation of the investment are taken to reserves together with the gains and losses on translation of the foreign borrowing.

Macquarie Internationale Investments Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2014

Note 1. Summary of significant accounting policies (continued)

iii) Revenue recognition

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

Interest income and expense

Interest receivable and similar income and interest payable and similar charges are brought to account on an accrual basis.

Interest receivable from and payable to other Macquarie Group entities has been disclosed on a gross basis in the profit and loss account. The balance sheet has been disclosed on a net basis as there is a legal right of set off and an intention to settle net or simultaneously.

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.

iv) Other operating (expenses)/income

Net gains or losses arising from foreign currency transactions are accounted for as other operating income or expenses respectively.

v) Turnover

Turnover for the year comprises dividend income received from fixed asset investments.

vi) Corporate tax

Taxation is based on the loss for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided fully in respect of all timing differences between the accounting and tax treatment of income and expenses, at the reporting date, the anticipated reversal of which will result in a change in the future liability to tax. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises based on current tax rates and law and is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

vii) Derivative instruments

Derivative financial instruments entered into by the Company include forwards, interest rate swaps and currency swaps. The Company uses these derivative financial instruments for economic hedging purposes.

These are accounted for on an accrual basis, based on the current spot FX rate against forward rate set at inception or swap rate set at each rate set date. Interest payments on cross currency and interest rate swaps are accounted for as interest in the profit and loss account.

The Company's position on derivative financial instruments is shown net by counterparty on the balance sheet.

viii) Investments in subsidiaries

Subsidiaries are all those entities over which the Company has the power to govern directly or indirectly decision-making in relation to financial and operating policies, so as to require that entity to conform with the Company's objectives. Investments in subsidiary undertakings are recorded at cost less provision for impairment.

Under SSAP 20 'Foreign Currency Translation', fixed asset investments denominated in currencies other than sterling, which are financed by foreign borrowings or hedged by forward exchange contracts, are translated to sterling using the rate of exchange ruling at the balance sheet date. The gains or losses on translation of the investment are taken to reserves together with the gains or losses on translation of the foreign borrowing or forward exchange contract.

Macquarie Internationale Investments Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2014

Note 1. Summary of significant accounting policies (continued)

ix) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loan assets are subject to regular review and assessment for possible impairment.

x) Impairment

Investment in subsidiary

Investments in subsidiary undertakings are recorded at cost less provision for impairment. Where the Directors are of the opinion that there has been a permanent diminution in the value of investments, the carrying amounts of such investments are written down to their recoverable amount. The impairment of fixed asset investments is recognised as an expense in the profit and loss account. At each balance sheet date, investments in subsidiaries that have been impaired are reviewed for possible reversal of the impairment.

Loans and receivables

Loan and receivables are subject to regular review and assessment for possible impairment. Provisions for impairment are recognised in the profit and loss account and re-assessed at each reporting date. If, in a subsequent period, the amount of impairment losses decrease and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment losses are reversed through the profit and loss account to the extent of the impairment earlier recognised. Bad debts are written off in the period in which they are identified.

xi) Financial liabilities

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

xii) Cash at bank

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

xiii) Offsetting financial instruments

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

xiv) Share capital

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

Macquarie Internationale Investments Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2014

	2014	2013
	£	£

Note 2. (Loss)/Profit on ordinary activities before taxation

(Loss)/Profit on ordinary activities before taxation is stated after charging/(crediting):

Foreign exchange gains	(1,297,232)	(1,532,071)
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	12,180	10,764

The Company had no employees during the year (2013: nil).

Note 3. Interest receivable and similar income

Interest receivable from other Macquarie Group undertakings	2,985,160	6,867,979
Interest receivable from unrelated parties	10,900	3,004
Total interest receivable and similar income	2,996,060	6,870,983

Note 4. Interest payable and similar charges

Interest payable to other Macquarie Group undertakings	16,755,488	21,147,124
Total interest payable and similar charges	16,755,488	21,147,124

Note 5. Tax on (Loss)/profit on ordinary activities

Analysis of tax charge/(credit) for the year:

Current tax

UK corporation tax at 23% (2013: 24%)	(2,905,340)	(3,124,022)
Adjustments to tax in respect of prior years	1,938	(10,434)
Foreign tax suffered	478,374	270,652
Current tax	(2,425,028)	(2,863,804)

Factors affecting tax debit for the year:

The taxation credit for the year ended 31 March 2014 is higher (2013: lower) than the standard rate of corporation tax in the United Kingdom of 23% (2013: 24%). The differences are explained below:

(Loss)/Profit on ordinary activities before taxation	(8,839,269)	10,630,673
(Loss)/Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 23% (2013: 24%)	2,033,032	(2,551,362)
Effects of:		
Adjustments to tax in respect of prior years	(1,938)	10,434
Foreign tax incurred	(478,374)	(270,652)
Non assessable income	872,308	5,675,384
	2,425,028	2,863,804

The UK Government has enacted a reduction in the main rate of corporation tax from 23% to 21% from 1 April 2014 and then from 21% to 20% from 1 April 2015.

Macquarie Internationale Investments Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2014

	2014 £	2013 £
Note 6. Interim dividends paid		
Interim dividends paid (2013: 6th February 2013)	-	18,000,000
Total dividends paid	-	18,000,000

Note 7. Fixed asset investments

Investments at cost without provisions for impairment	784,228,661	828,041,528
Total investments in subsidiaries	784,228,661	828,041,528

Name of investment	Nature of business	Country of incorporation	% ownership	2014 £	2013 £
Macquarie Capital Securities (Japan) Limited	Holding company for Japanese stockbroking service	Cayman Islands	100	44,405,185	53,388,024
Macquarie International Holdings Limited	Holding company for Macquarie Securities Asia and Corporate Finance entities	England and Wales	100	339,678,096	340,431,636
Macquarie Korea Opportunities Management, Ltd	Manages the Macquarie Korea Opportunities Fund	Republic of Korea	100	1,445,804	1,516,526
Macquarie Securities Korea Limited	Securities and derivative dealing business	Republic of Korea	100	98,834,290	103,668,775
Macquarie Credit Nexus Holdings Limited	Holding company	Cayman Islands	100	299,865,286	329,036,567
				784,228,661	828,041,528

The directors believe that the carrying value of the investments is supported by their underlying net assets

Note 8. Cash at bank and in hand

Cash at bank	8,182,871	2,503,914
Total cash at bank and in hand	8,182,871	2,503,914

Note 9. Debtors

Amounts owed by group undertakings	47,153,329	60,529,860
Other financial market assets	15,702,364	10,520,278
Other debtors	3,054,958	3,630,728
Total debtors	65,910,651	74,680,866

Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans to group undertakings at market rates and at 31 March 2014 the rate applied ranged between LIBOR plus 1.36% and LIBOR plus 2.91% (2013: between LIBOR plus 1.40% and LIBOR plus 3.96%).

Other financial market assets represents derivative instruments (currency swaps).

Macquarie Internationale Investments Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2014

	2014	2013
	£	£
Note 10. Creditors: Amounts falling due within one year		
Amounts owed to other group undertakings	338,028,868	372,467,290
Class A redeemable preference shares of £1 each	70,215,434	70,215,434
Class B redeemable preference shares of £1 each	121,804,865	121,804,865
Class C redeemable preference shares of £1 each	80,281,384	80,281,384
Unsecured notes	38,358,905	47,984,655
Other financial market liabilities	9,847,190	6,035,540
Total creditors	658,536,646	698,789,168

Amounts owed to other group undertakings are unsecured and have no fixed date of repayment. The Company incurs interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2014 the rate applied was LIBOR plus 2.91% (2013: LIBOR plus 3.96%).

The Class A redeemable preference shares represent 70,215,434 (2013: 70,215,434) fully paid 0% cumulative redeemable preference shares. The shares are redeemable at £1 per share by the Company on the 10th anniversary of their reclassification date (9 December 2005), or, at any time before that date, at the option of the holder, upon 1 month's written notice to the Company. All Class A redeemable preference shares are on issue to Macquarie (UK) Group Services Limited.

The Class B redeemable preference shares represent 121,804,865 (2013: 121,804,865) fully paid 0% cumulative redeemable preference shares. The shares are redeemable at £1 per share by the Company at any time at the option of the holder of the shares, upon 10 days written notice to the Company. All Class B redeemable preference shares are on issue to Macquarie (UK) Group Services Limited.

The Class C redeemable preference shares represent 80,281,384 (2013: 80,281,384) fully paid 0% cumulative redeemable preference shares. The shares are redeemable at £1 per share by the Company on the ninth anniversary of their issue date (various issue dates ranging from 22 February 2006 to 6 November 2006), or, at any time before that date, at the option of the holder, upon 1 month's written notice to the Company. All Class C redeemable preference shares are on issue to Macquarie (UK) Group Services Limited.

On 31 May 2012, the Company issued five year ZAR denominated senior unsecured notes of the value of ZAR 665,000,000 to Macquarie Securities South Africa (Proprietary) Limited. The proceeds of the notes were used to repay Company's existing loan from Macquarie Financial Holdings Limited

Other financial market liabilities represents derivative instruments (currency swaps).

Note 11. Called up share capital

	2014	2013	2014	2013
	Number of shares	Number of shares	£	£
Ordinary share capital				
Opening balance of fully paid ordinary shares	201,282,313	201,282,313	201,282,313	201,282,313
Total ordinary share capital	201,282,313	201,282,313	201,282,313	201,282,313
Opening and closing balance of Class A redeemable preference shares of £1 each	32,809,844	32,809,844	32,809,844	32,809,844
Total equity component of preference shares	32,809,844	32,809,844	32,809,844	32,809,844
Closing balance of fully paid ordinary shares	234,092,157	234,092,157	234,092,157	234,092,157
Authorised				
Opening balance of authorised ordinary shares	700,000,000	700,000,000	700,000,000	700,000,000
Closing balance of authorised ordinary shares	700,000,000	700,000,000	700,000,000	700,000,000

Macquarie Internationale Investments Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2014

	2014 £	2013 £
Note 12. Other reserves and profit and loss account		
Foreign currency translation reserve		
Balance at the beginning of the financial year	1,024,124	1,136,994
Currency translation differences arising during the financial year, net of hedge	(237,362)	(112,870)
Balance at the end of the financial year	786,762	1,024,124
Profit and loss account		
Balance at the beginning of the financial year	(28,679,141)	(24,173,618)
(Loss)/Profit for the financial year attributable to ordinary equity holders of Macquarie Internationale Investments Limited	(6,414,241)	13,494,477
Dividends paid	-	(18,000,000)
Balance at the end of the financial year	(35,093,382)	(28,679,141)
Note 13. Reconciliation of movements in shareholders' funds		
Balance at the beginning of the financial year	206,437,140	211,055,533
Movement in foreign currency translation reserve	(237,362)	(112,870)
(Loss)/Profit for the financial year	(6,414,241)	13,494,477
Dividends paid	-	(18,000,000)
Balance at the end of the financial year	199,785,537	206,437,140

Note 14. 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 8 and has therefore not disclosed transactions or balances with entities which form part of the Macquarie Group. The consolidated financial statements of Macquarie Group Limited, within which the Company is included, can be obtained from the address given in Note 19.

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

Note 15. Directors' remuneration

During 2014 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, accurately allocating their employment compensation across all these duties would not be feasible. Accordingly, no separate remuneration has been disclosed.

Note 16. Contingent liabilities and Commitments

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

Macquarie Internationale Investments Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2014

Note 17. Segmental reporting

The Company was a wholly owned subsidiary within the Macquarie Group throughout the year and is included in the consolidated financial statements of Macquarie Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a segmental reporting note under the terms of SSAP 25.

Note 18. Cash Flow Statement

The Company was a wholly owned subsidiary within the Macquarie Group throughout the year and is included in the consolidated financial statements of Macquarie Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

Note 19. Ultimate Parent undertaking

The immediate parent undertaking of the Company is Macquarie (UK) Group Services Limited.

The ultimate parent undertaking and controlling party of the Company is MGL. The largest group to consolidate these financial statements is MGL, a company incorporated in Australia. The smallest group to consolidate these financial statements is MFHL, a company incorporated in Australia. Copies of the consolidated financial statements for MGL and MFHL can be obtained from the Company Secretary, Level 7, No. 1 Martin Place, Sydney, New South Wales, 2000, Australia.

Note 20. Fair value of derivatives

	2014	2013
	£	£
<hr/> Foreign exchange forward contracts <hr/>		
Nominal value	146,284,158	169,357,561
Net fair value	(8,564,161)	(3,151,738)

Note 21. Events after the Reporting Year

There were no material events subsequent to 31 March 2014 that have not been reflected in the financial statements.