

# MIDF UK1B Ireland Designated Activity Company

Audited Financial Statements

**For the year ended 31 March 2022**

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# Management and Administration

Registered number	553292
Registered office	1st Floor 118 Lower Baggot Street Dublin 2 Ireland
Secretary	Alter Domus Secretarial (Ireland) Limited 1st Floor 118 Lower Baggot Street Dublin 2 Ireland
Directors	<ul style="list-style-type: none"><li>Ross McCann</li><li>Amanda Donohue (Appointed 7 October 2021)</li><li>Sean Morley (Resigned 7 October 2021)</li></ul>
Manager	<b>Macquarie Financial Products Management Limited</b> 50 Martin Place Sydney New South Wales Australia 2000
Directors of the Manager	<ul style="list-style-type: none"><li>H Leung</li><li>G Shneier</li><li>B Barry</li></ul>
Independent Auditor	<b>PricewaterhouseCoopers Ireland</b> One Spencer Dock North Wall Quay Dublin Ireland
Administrator	<b>Alter Domus (Ireland) Limited</b> 1st Floor 118 Lower Baggot Street Dublin 2 Ireland

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# Directors' report

The Directors present their report and the audited financial statements of MIDF UK1B Ireland Designated Activity (the "Company") for the financial year ended 31 March 2022 (the "financial year").

## Statement of Directors' responsibilities for the audited financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish company law.

Irish company law requires the Directors to prepare financial statements for each financial year. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee interpretations as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

Under Irish company law the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act, 2014; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act, 2014 and enable those financial statements to be audited.

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 confirm that they have complied with the above requirements in preparing the financial statements.

## Principal activities and business review

The Company was incorporated in Ireland on 27 November 2014 with a registered number 553292.

The Company targets investments in debt of infrastructure borrowers located in the United Kingdom. These investments are funded through the issue of loan notes (the "Notes") to Macquarie Infrastructure Debt (UK Inflation Linked) 1B Partnership L.P. ("MIDF 1B LP") acted for by its general partner MIDF UK1B Guernsey GP Limited.

The Company appointed Macquarie Financial Products Management Limited (the "Manager") to provide certain services to the Company. The Manager seeks to source, analyse, structure and discuss investment opportunities for the Company. The Manager is a wholly owned indirect subsidiary of Macquarie Group Limited ("Macquarie") and is authorised and regulated by the Australian Securities and Investments Commission.

Debt investments made by the Company are detailed in Note 2.2 and details of the Notes issued to MIDF 1B LP are detailed in Note 2.2.

## Results and dividends of the Company

Details of the results are set out in the Statement of Comprehensive Income on page 11. The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 March 2022 (31 March 2021: Nil).

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# Directors' report (continued)

## Principal risk and uncertainty

The Company, through its investments in loans, is subject to a variety of risks. The key risks facing the Company are market risk, credit risk and liquidity risk. The Company, in consultation with the Manager, has implemented risk management policies and certain procedures are applied to address these risks. Further information on risk management is disclosed in Note 4.3 of these audited financial statements.

The Company's strategy is to acquire and hold debt investments to maturity. The Directors recognise that there is a risk that investments of suitable quality and returns which fit the Company's strategy may be difficult to source, however the advice provided by the Manager to date would suggest that there is an active pipeline of investment opportunities which the Company is in a position to exploit.

## Directors and Secretary

The Directors and Secretary of the Company during the financial period are as set out on page 1.

In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.

## Directors' and Secretary's interest in shares

None of the Directors or Secretary who held office during the financial period to, and including, 31 March 2022 and 31 March 2021 held any shares in the Company.

## Financial reporting framework and going concern

The audited financial statements of the Company have been prepared in accordance with IFRS as adopted by the European Union and have been prepared on a going concern basis. The Directors believe that this is appropriate due to the ability to call on undrawn commitments from the Notes issued to MIDF 1B LP.

## Books and accounting records

The measures taken by the Directors to ensure compliance with the requirements of section 281-285 of the Companies Act 2014, regarding adequate accounting records include the implementation of the necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources of financial function. These accounting records are maintained at 1st Floor, 118 Lower Baggot Street, Dublin 2, Ireland.

## Events during the reporting year

The Directors of the Company, in conjunction with the Manager, continue to assess the potential impact of COVID-19 on the assets in the Company's portfolio. Where an asset is experiencing pressure on financial ratio covenants or where there are other material short-term impacts to a borrower, debt instruments have been placed on the Credit Watch list and are subject to more detailed ongoing monitoring.

Events during the reporting period have been evaluated up to the date the financial statements were approved and authorised for issue by the Directors which includes the current conflict between Russia and Ukraine. The Company does not have any assets which are located in Russia, Ukraine or Belarus. Moreover, none of the assets to which the Company has lent money have material business relations with entities in Russia, Ukraine or Belarus. There may be a number of second order implications arising from any conflict between these two countries, such as the effect on gas/energy prices. However, we believe these risks are well mitigated within the portfolio. There were no other material events to be disclosed or adjusted for in these financial statements.

On 1st April 2021 the Company's underwent a transfer of share capital. The owner of the Company, MIDF 1B LP acting through its General Partner, MIDF UK1B Guernsey GP Limited sold its single equity share for €996 to Acorn Investments Limited ("Acorn"), an Irish Alter Domus entity who will hold these shares on trust for general Irish charitable purposes.

During the reporting period and as at 31 March 2022, no additional assets of the Company were placed on Credit Watch (2021: two investments were placed on Credit Watch).

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# Directors' report (continued)

## Events occurring after the reporting period

The Directors will assess the ongoing situation on a regular basis and ensure all risks are mitigated to a minimum to effectively protect the Company's investments from any adverse fluctuations and safeguard the Company's going concern status.

Since balance sheet date, the COVID-19 pandemic has continued to evolve and may have an impact on specific areas of judgement required for preparing these financial statements. The Company has continued to re-evaluate the significant inputs used to drive the value of financial assets on a regular basis up to the date of this report. Based on these evaluations, the Company has determined there are no material events which would require disclosure or adjustment in the financial statements.

Following the change in business model, all Company's' investments are to be measured at fair value through profit or loss. In accordance with IFRS 9 'Financial Instruments', financial instruments may only be reclassified on the first day of the reporting period following the change of business model and therefore the Company's direct assets will be re-classified into financial assets at fair value through profit or loss from 1 April 2022.

## Material Agreements

There were no material agreements in relation to the business of the Company in which any director of the Company had a material interest during the financial year ended 31 March 2022 and 31 March 2021. Details of the related party are set out in Note 7.1 to these financial statements.

## Future developments

It is the intention of the Directors, in consultation with the Manager, to continue investing in debt of infrastructure borrowers, to be funded through the Notes issued to MIDF 1B LP.

Events occurring after the reporting year are disclosed in Note 7.3.

## Independent Auditor

PricewaterhouseCoopers Ireland have expressed their willingness to accept reappointment in accordance with Section 383(2) of the Companies Act 2014.

The Company is due to pay the Independent Auditor a fee of £116,045 (2021: £61,335) in respect of the audit of the Company's financial statements for the financial year. The amounts disclosed on the financial statements may differ as they reflect the estimated audit fees accrued as of 31 March 2022.

There were no other assurance services provided by the Independent Auditor for the financial year.

## Relevant Audit Information

For persons who are directors at the time this report is approved in accordance with Section 330 of the Companies Act, 2014:

- the Directors hereby individually and collectively acknowledge, that so far as each director is aware, there is no relevant material audit information of which the Company's statutory auditors are unaware; and
- that he/she has taken all the steps that he/she 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 statutory auditors are aware of that information.

## Audit Committee

The definition of large company as per Section 167 of the Companies Act, 2014 is a company with €50 million turnover and €25 million in balance sheet total in the most recent financial year and the year immediately preceding that year.

The Company does not meet the definition of a large company and is not required to establish an Audit Committee.

## Research and Development

The Company did not incur any expenditure on research and development during the year (2021: nil).

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# Directors' report (continued)

## Political Donation

The Company made no political donations during the year (2021: nil).

## Annual compliance statement

The Directors, in accordance with Section 225(2)(a) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations." "Relevant obligations", in the context of the Company, are the Company's obligations under:

- a. the Act, where a breach of the obligations would be a category 1 or category 2 offence;
- b. the Act, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and
- c. tax law.

Pursuant to Section 225(2)(b) of the Act, the Directors confirm that:

- i. a compliance policy statement has been drawn up as required by Section 225(3)(a) of the Act setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
- ii. appropriate arrangements and structures have been put in place that, in their opinion, are designed to secure material compliance with the Company's relevant obligations, and
- iii. a review has been conducted, in the financial year, of the arrangements and structures referred to in paragraph (ii).

## Authorisation of the Financial Statements

These financial statements were authorised for issue by the Board of Directors on 8 September 2022.



**Ross McCann**  
**Director**

MIDF UK1B Ireland Designated Activity  
Company  
Date: 9 September 2022



**Chris McNamara**  
**Alternate Director**

MIDF UK1B Ireland Designated Activity  
Company  
Date: 9 September 2022

First Floor,  
118 Lower Baggot Street  
Dublin 2 Ireland





## ***Independent auditors' report to the members of MIDF UK1B Ireland Designated Activity Company***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, MIDF UK1B Ireland Designated Activity Company's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 March 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 March 2022;
  - the Statement of Comprehensive Income for the year then ended;
  - the Statement of Cash Flows for the year then ended;
  - the Statement of Changes in Net Assets Attributable to Equity Shareholders for the year then ended; and
  - the Notes to the Financial Statements, which include a description of the significant accounting policies.
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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

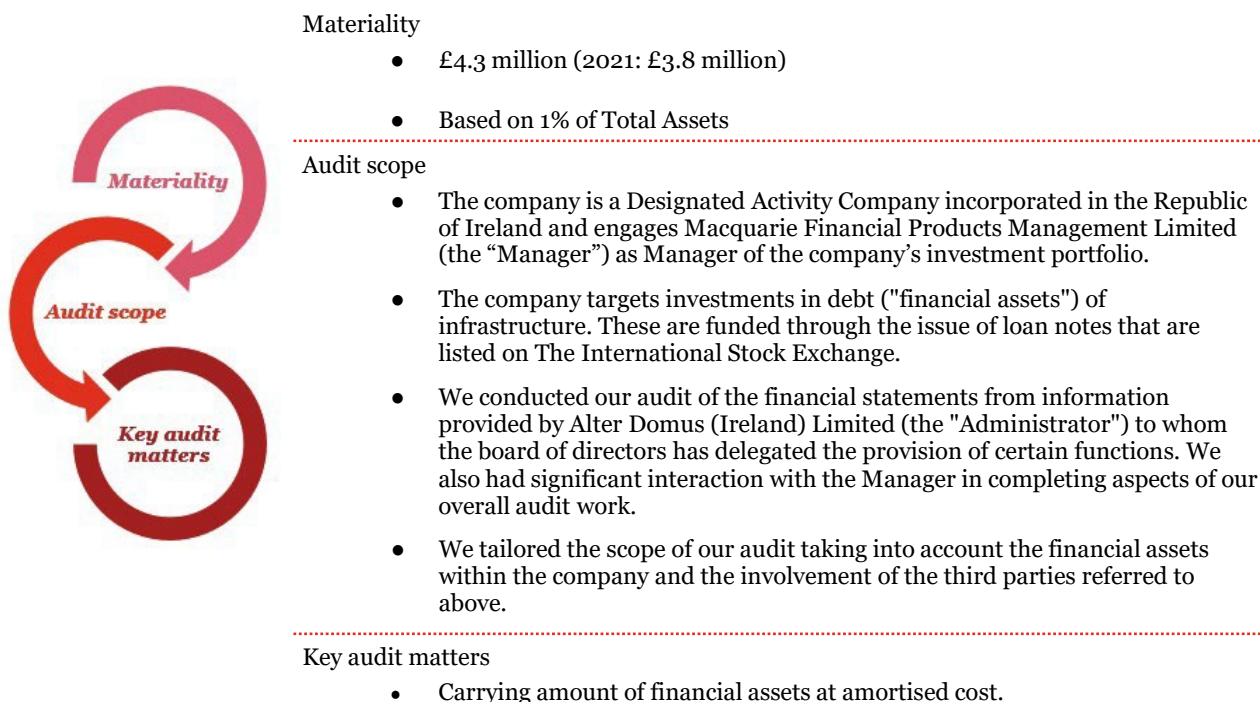
Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

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

## Our audit approach

### Overview



### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><b>Carrying amount of financial assets at amortised cost</b></p> <p>As detailed in Note 2.2, Financial assets at amortised cost are measured at amortised cost.</p> <p>Financial assets at amortised cost make up a significant part of the Statement of Financial Position and due to the nature of these assets, their carrying amount, ongoing recoverability and impairment is subject to judgment and estimation, including the calculation of expected credit losses ("ECL").</p> <p>The judgements exercised in determining the potential for</p>	<p>We understood and evaluated the internal control environment at the Administrator and the Manager. This included evaluating management's processes and assumptions used to measure the financial assets at amortised cost and used to determine the level of impairment required, either at inception, or on an ongoing basis, using the expected credit loss model. Our procedures include:</p> <ul style="list-style-type: none"> <li>Testing of operating effectiveness of the data input controls and monthly reconciliation controls in respect of</li> </ul>

### *Key audit matter*

ECL could significantly impact the total asset value of the company and this is considered to be a key source of estimation uncertainty as described in the notes to the financial statements.

The specific areas of judgement include:

- The impact of changes in the expected cash flows on the carrying values; and
- How management determine the underlying assumptions when preparing impairment/ECL review analysis such as significant changes in the credit risk of a borrower, changes in the probability of default of a borrower, changes in valuation of underlying collateral, the ability of the borrowers to deliver on their business plans and projected financial performance figures.

We focused on this area as it is a principal element of the financial statements.

We also focused on the adequacy of disclosures made in the Notes to the Financial Statements.

### *How our audit addressed the key audit matter*

the Manager's cash flow models;

- Reviewing the assumptions and inputs into the Manager's cash flow models for selected financial assets at amortised cost and agreeing to the associated agreements and other legal documentation. Independently obtaining data to support the reasonableness of inflation rate curves used to derive the forecast cash flows in the Manager's cash flow models from independent third-party sources;
  - On a sample basis, performing back-testing procedures in order to assess the Manager's cash flow forecasting reliability;
  - Independently reperforming the amortised cost calculation using the cash flows obtained directly from the Manager's cash flow models and comparing our results to the amortised cost per the Administrator's amortised cost models.
  - Understanding and evaluating the Manager's assumptions and judgements in respect of the ECL for each financial asset at amortised cost including;
    - assessing the ECL methodology focussing on the estimation of probability of default, exposure at default and loss given default, and how forward-looking information was considered in this regard;
    - evaluating the consistency and appropriateness of the Manager's assumptions applied in determining whether any financial asset at amortised cost was performing, underperforming or non-performing, including consideration as to whether a significant increase in credit risk of each borrower had occurred;
    - obtaining evidence to support and challenge where necessary any significant assumptions presented in the assessment of the ECL including consideration of the financial information on the borrower and the collateral in place to assess their ability to meet future payment commitments, and progress against business plans; and
    - inspecting a sample of compliance certificates signed by each respective underlying borrower which confirmed compliance with any covenants as at year-end.
  - With regards to COVID-19, discussing with management and evaluating the judgements applied in determining the carrying amount of financial assets at amortised cost.
- We have not identified any matters to report to those charged with governance.

### *How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

### *Materiality*

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.



Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall materiality</b>	£4.3 million (2021: £3.8 million).
<b>How we determined it</b>	1% of Total Assets.
<b>Rationale for benchmark applied</b>	We believe total assets to be the appropriate basis for determining benchmark materiality since the primary consideration for members of the company is total asset value.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above £0.43 million (2021: £0.38 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- The company is a special purpose vehicle. As noted in the Introduction to the Notes to the Financial Statements, the financial statements have been prepared on a going concern basis as the Directors are of the view that the company can continue in operational existence for the foreseeable future;
- We made enquiries of management and obtained an understanding of the key indicators that are monitored with respect to the going concern assumption and management's future plans for the company over the going concern period (being 12 months from the date of approval of the financial statements);
- We reviewed available board minutes during the period under audit and those available up to the date of this report;
- We considered post year-end total asset movement and profit participating note drawdown activities by reviewing the underlying accounting records;
- We considered the liquidity risk management techniques which are available to the company.

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 the date on which 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 Audited Financial Statements 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 Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.



Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## **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 for the audited financial statements set out on page 2, 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 (Ireland) 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

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 section 391 of the Companies Act 2014 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.

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## Other required reporting

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### Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

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### Other exception reporting

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads 'Olwyn Alexander'.

Olwyn Alexander  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin, Ireland  
9 September 2022

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# Statement of Comprehensive Income

	Note	£'000 1 April 2021 to 31 March 2022	£'000 1 April 2020 to 31 March 2021
<b>Income</b>			
Interest income from financial assets at amortised cost	2.2	26,543	15,025
Increase in expected credit loss on financial liabilities	2.2	824	1,758
Income from operations	1.1(a)	143	276
<b>Total Income</b>		<b>27,510</b>	<b>17,059</b>
<b>Expenses</b>			
Interest expenses on financial liabilities at amortised cost	2.2	(25,100)	(14,861)
Investment management fees		(1,317)	(1,192)
Operating expenses	1.1(b)	(177)	(186)
Audit fees		(62)	(63)
(Increase) in expected credit loss on financial assets	2.2	(849)	(1,658)
<b>Total Expenses</b>		<b>(27,505)</b>	<b>(17,960)</b>
<b>Operating (loss) / profit for the year before tax</b>		<b>5</b>	<b>(901)</b>
Taxation	6	(1)	252
<b>Operating (loss) / profit for the year after tax</b>		<b>4</b>	<b>(649)</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) / income for the year</b>		<b>4</b>	<b>(649)</b>

The results above derive from continuing activities.

The accompanying notes form an integral part of the financial statements.

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# Statement of Financial Position

	Note	£'000 31 March 2022	£'000 31 March 2021
<b>Assets</b>			
Cash and cash equivalents	2.1	9,399	4,440
Receivables and prepayments	3.1	613	636
Financial assets at amortised cost	2.2	423,205	370,788
<b>Total assets</b>		<b>433,217</b>	<b>375,864</b>
<b>Liabilities</b>			
Payables and accrued expenses	3.2	(1,066)	(1,122)
Financial liabilities at amortised cost	2.2	(432,087)	(374,682)
<b>Total liabilities</b>		<b>(433,153)</b>	<b>(375,804)</b>
<b>Net assets attributable to the equity shareholders</b>		<b>64</b>	<b>60</b>
<b>Equity</b>			
Share Capital*		-	-
Retained earnings		64	60
<b>Total Equity</b>		<b>64</b>	<b>60</b>

\*The share capital amounts to £1.

The accompanying notes form an integral part of the financial statements.

These financial statements were approved and authorised for issue at a meeting of the Board of Directors and signed on their behalf by:



**ROSS MCCANN**  
**Director**  
 MIDF UK1B Ireland Designated Activity Company  
 Date: 9 September 2022



**Chris McNamara**  
**Alternate Director**  
 MIDF UK1B Ireland Designated Activity Company  
 Date: 9 September 2022



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# Statement of Changes in Net Assets attributable to Equity Shareholders

<b>31 March 2022</b>	<b>£'000 Share capital*</b>	<b>£'000 Retained earnings</b>	<b>£'000 Total equity</b>
Opening net assets attributable to the Equity Shareholders as at 1 April 2021	-	60	60
Total comprehensive income for the year	-	4	4
<b>Closing net assets attributable to the Equity Shareholders as at 31 March 2022</b>	<b>-</b>	<b>64</b>	<b>64</b>

<b>31 March 2021</b>	<b>£'000 Share capital*</b>	<b>£'000 Retained earnings</b>	<b>£'000 Total equity</b>
Opening net liabilities attributable to the Equity Shareholders as at 1 April 2020	-	709	709
Total comprehensive loss for the year	-	(649)	(649)
<b>Closing net assets attributable to the Equity Shareholders as at 31 March 2021</b>	<b>-</b>	<b>60</b>	<b>60</b>

\*The share capital amounts to £1.

The accompanying notes form an integral part of the financial statements.

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# Statement of Cash Flows

	Note	£'000 1 April 2021 to 31 March 2022	£'000 1 April 2020 to 31 March 2021
<b>Cash flows from operating activities</b>			
Total comprehensive (loss) / income for the year		4	(649)
Adjustments for:			
Increase in expected credit loss on financial assets	2.2	849	1,658
(Increase) in expected credit loss on financial liabilities	2.2	(824)	(1,758)
Interest income from debt investments	2.2	(26,543)	(15,025)
Interest expense on financial liabilities at amortised cost	2.2	25,100	14,861
Decrease / (increase) in receivables and prepayments	3.1	23	220
(Decrease) / increase in payables and accrued expenses	3.2	(56)	(169)
Purchases of the debt investments	2.2	(74,955)	(33,302)
Repayment of the debt investments	2.2	41,512	14,172
Interest income received from debt investments	2.2	6,720	6,445
<b>Net cash outflow from operating activities</b>		<b>(28,170)</b>	<b>(13,547)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of notes	2.2	472,166	33,301
Repayment of notes	2.2	(434,416)	(14,171)
Interest expense paid on Notes	2.2	(4,621)	(5,591)
<b>Net cash inflow from financing activities</b>		<b>33,129</b>	<b>13,539</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>4,959</b>	<b>(8)</b>
Cash and cash equivalents at the beginning of the year		4,440	4,448
<b>Cash and cash equivalents at the end of the year</b>	<b>2.1</b>	<b>9,399</b>	<b>4,440</b>

The accompanying notes form an integral part of the financial statements.

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# Notes to the Financial Statements

## Introduction

### General information

MIDF UK1B Ireland Designated Activity Company (the “Company”) is a designated activity company incorporated on 27 November 2014 under Part 16 the Companies Act 2014 and registered under number 553292 with a registered office as disclosed on page 1.

The investment objective of the Company is to invest in inflation linked debt of infrastructure borrowers located in the United Kingdom (“UK”), such investment is funded through the issue of listed loan notes to MIDF 1B LP up until 1<sup>st</sup> January 2022 and through the issue of profit participating notes thereafter.

Under the terms of the Investment Management Agreement dated 16 December 2014 (“IM Agreement”), the Company appointed Macquarie Financial Products Management Limited as Manager of the Company’s investment portfolio (the “Manager”). The Manager is a wholly owned indirect subsidiary of Macquarie Group Limited (“Macquarie”) and is authorised and regulated by the Australian Securities and Investments Commission.

On 18 December 2014, the Company entered into a corporate services agreement with Alter Domus (Ireland) Limited (the “Administrator”). Under the terms of this agreement the Administrator agreed to provide the Company with certain administration and accounting services in Ireland.

Under the terms of the Organisational Expenses Deed dated 17 December 2014 (the “Expenses Deed”), MIDF 1B LP may pay on behalf of, reimburse or put the Company in funds to enable it to meet all its day to day operational expenses. Expenses paid on behalf of the Company by MIDF 1B LP during the financial year are disclosed under Note 7.1.

In accordance with the fee proposal dated 26 January 2015, a fee of £1,000 per annum is payable by the MIDF 1B LP to the Company in relation to the financing arrangements entered into between the parties from time to time (the “Annual Fee”).

### Summary of significant accounting policies

#### Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). The financial statements are presented in Sterling (“GBP” or “£”) and all values are rounded to the nearest thousand (“£’000”), except when otherwise indicated.

The financial performance remained robust over the year, showing a clear recovery from the impacts of COVID-19. The Directors continue to closely monitor the conflict between Russia and Ukraine, including the reaction from other countries and the upward pressure on energy prices. At this time, the Directors do not expect there to be a material impact on the Company’s ability to continue as a going concern. There are no direct trading exposures to entities from Russia, Ukraine or Belarus, or material supply chain exposures to those countries.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value.

#### Coronavirus (COVID-19) impact

The outbreak of COVID-19 in early 2020 has given rise to many significant uncertainties, including the length of time and severity of the impact of COVID-19, how effective the measures taken to control the spread of the virus will be, and how quickly activities might return to more normal conditions once the pandemic is over.

The Company has considered the impact of the existence of COVID-19 and other market volatility in preparing its financial statements and, despite the inherent uncertainties making it impractical to provide a quantitative estimate of the impact in the notes, the Company concluded there to be no impact on the Company’s ability to continue as a going concern for the foreseeable future.

As a consequence of COVID-19 and in preparing these financial statements, the Directors, in consultation with the Manager:

- Reviewed external market communications to identify COVID-19 related impacts;
- Conducted several internal processes to ensure consistency in the application of the expected impact of COVID-19 across all assets;
- Assessed the carrying value of its assets and liabilities and determined the impact thereon as a result of market inputs and variables impacted by COVID-19; and

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# Notes to the Financial Statements (continued)

- Considered the impact of COVID-19 on the Company's financial statement disclosures.

The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the Company's accounting policies and making any estimates. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change. The Directors believe that the underlying assumptions are appropriate and that the Company's financial statements are fairly presented. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the Critical accounting estimates, assumptions and judgements below.

## Critical accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

In determining the carrying amount of certain assets and liabilities, the Company makes assumptions about the effects of uncertain future events on those assets and liabilities at the Statement of Financial Position date. This area involves a degree of judgement and complexity.

The Company, with the assistance of the Manager, has made estimates and assumptions based on historical experience and expectation of future events. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised and any future financial periods affected. Actual results may differ from these estimates.

As at 31 March 2022, the Directors of the Company in consultation with the Manager made judgements and assumptions in relation to the impact of COVID-19 on the Financial Statements. For further detail on these please refer to note 2.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements relate to the receipt of and estimated timing of scheduled and unscheduled payments of debt investments and profit participating notes and the impact on liquidity risk.

The measurement of both the initial and ongoing Expected Credit Loss ("ECL") allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about credit behaviour such as likelihood of borrowers defaulting and the resulting losses. Refer to Note 2.2 for further details.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as determining the criteria for significant increase in credit risk, choosing the appropriate model and assumptions for the measurement of ECL, determining the probabilities of default and loss given default.

## Functional and presentation currency

On 1 January 2022, the Company sold the Note which represented a material structural change and triggered a reassessment of the Company's business model. See note 2.2 for further details

## Foreign currency

### Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Company operates. The majority of the Company's investments and transactions are denominated in GBP. The large majority of expenses (including legal and professional fees and investment management fees) are denominated and paid in GBP. Accordingly, the Directors have determined that the functional and presentation currency of the Company is GBP.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date. Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'net foreign currency gains or losses'. Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'Net changes in fair value of financial assets at fair value through profit or loss'.

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# Notes to the Financial Statements (continued)

## New standards, amendments and interpretations adopted by the Company

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Company.

## New standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

## Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position 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 asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 1. Financial Performance

### 1.1 Profit for the year

#### Interest income

The interest income from debt investments is recognised using the effective interest rate method applied to the gross carrying amount of the debt investments, except for stage 3 credit financial assets for which interest income is calculated by applying the effective interest rate to their amortised cost. The effective interest rate method calculates the amortised cost of a financial asset and allocates interest income over the relevant year.

Origination fees and loan arrangement fees associated with loans advanced are capitalised and included in the effective interest rate and recognised in the Statement of Comprehensive Income over the expected life of the instrument.

If a loan or receivable is credit impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated present value of cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate to the extent that the Company expects to recover the interest receivable.

Interest from cash and cash equivalents is recognised on a receipts basis.

#### Other income

Make whole fee income, amendment fee income, cancellation fee income and waiver fee income are earned in respect of debt investments in line with the terms of the relevant side letters. Commitment fees are paid by the borrower on undrawn loan commitments in line with the fee terms of the loan facility agreement. Other income is included in the Statement of Comprehensive Income on an accrual basis.

Issuance fees due to MIDF 1B LP on the issue of listed loan notes are integral to the effective interest rate and therefore are capitalised and included in the effective interest rate and recognised in the Statement of Comprehensive Income as the interest expense on listed loan notes over the expected life of the instrument.

#### Expenses

Expenses are recognised in the Statement of Comprehensive Income as the related services are performed.

Commitment fee expenditure is paid by the Company on undrawn listed loan notes. Commitment fee expenditure is included in the Statement of Comprehensive Income on an accruals basis. Make whole fee expenditure and cancellation fee expenditure is included in the Statement of Comprehensive Income on an accruals basis.

#### Interest expenses

The interest expense on listed loans notes is recognised using the effective interest rate method. The effective interest rate method calculates the amortised cost of a financial liability and allocates interest expense over the relevant year. Fees and transaction costs associated with loans issued are capitalised and included in the effective interest rate and recognised in the Statement of Comprehensive Income over the expected life of the instrument.

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# Notes to the Financial Statements (continued)

## 1.1 Profit for the year (continued)

### a. Income from operations

	£'000 31 March 2022	£'000 31 March 2021
Reimbursements from MIDF 1B LP	19	272
Other income	124	3
Annual fee income	-	1
<b>Total income from operations</b>	<b>143</b>	<b>276</b>

### b. Operating expenses

	£'000 31 March 2022	£'000 31 March 2021
Legal and Professional expense	64	62
Administrative fees	64	52
Listing fee	49	51
VAT expense	-	19
Realised foreign exchange loss	-	1
Unrealised foreign exchange loss	-	1
<b>Total operating expenses</b>	<b>177</b>	<b>186</b>

## 2. Cash and Investments

### 2.1 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short-term highly liquid investments, with original maturities of three months or less, which are subject to an insignificant risk of change in value. The Company maintains its cash and cash equivalents with Royal Bank of Scotland International.

As at 31 March 2022 and 31 March 2021, the carrying value of cash and cash equivalents comprised only of cash at bank.

	€'000 31 March 2022	€'000 31 March 2021
<b>Cash at bank</b>	<b>9,399</b>	<b>4,440</b>

### 2.2 Financial asset & liabilities at amortised cost

The financial instruments held by the company include the following:

- Financial assets at amortised cost;
- Profit participating notes held at amortised cost;
- Other receivables; and
- Other payables

#### Classification

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Company's debt securities are held for the purpose of achieving the Company's business model's objective, being the collection of contractual cash flows, which are solely payment of principal and interest ("SPPI") and to be held until maturity. Consequently, all financial assets are held at amortised cost.

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# Notes to the Financial Statements (continued)

## 2.2 Financial asset & liabilities at amortised cost (continued)

Financial assets and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's financial assets and receivables comprise of secured debt investments, trade and other receivables.

Financial liabilities are classified as profit participating notes held at amortised cost. The Classification depends upon the purpose for which the financial liabilities are incurred. Management determines the classification of its financial liabilities at initial recognition.

Profit participating notes have fixed or determinable payments. The loan notes are quoted on The International Stock Exchange ("TISE").

### Change in Business Model

Up to 31 December 2021, the Company's debt securities had been held for the purpose of achieving the Company's business model objective, being the collection of contractual cash flows, which were solely payment of principal and interest to be held to maturity, leading all financial assets to be held at amortised cost. Subsequent to the sale of the share, the Listed Loan Notes were disposed of and the Note, sold with effect from 1 January 2022 which represented a material structural change and triggered a reassessment of the Company's business model.

Under the Note, a more flexible financing arrangement, the objective of the Company's business model changes as the Manager will manage and evaluate performance of the portfolio of assets on a fair value basis using a mark-to-model valuation, enabling a consistent and comparable basis for the Manager to assess all assets and liabilities.

The Company's direct assets will be re-classified into financial assets at fair value through profit or loss from 1 April 2022. Refer to Note 7.3 for further details.

### Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the asset. Financial assets and liabilities are initially recognised at fair value plus transaction costs for all financial assets and liabilities not carried at fair value through profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Subsequent to initial recognition, financial assets are carried at amortised cost using the effective interest method less provisions for any ECL.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' and 'financial liabilities at fair value through profit or loss' categories are presented in the Statement of Comprehensive Income within 'net changes in fair value of financial assets at fair value through profit or loss' and 'net changes in fair value of financial liabilities at fair value through profit or loss' in the year in which they arise. Interest income earned and interest expense incurred in relation to debt investments and the Notes respectively are reported as part of the net changes in fair value of financial assets and liabilities through profit or loss.

### Expected credit losses

The expected credit loss ("ECL") provisioning is determined in line with IFRS 9. The ECL calculation differs depending on whether a financial asset is classified as stage I, II or III.

The Company follows a three-stage model for impairment based on changes in credit quality since initial recognition, as summarised below:

- **Stage I:** Financial instruments that have not had a significant increase in credit risk ("SICR") since initial recognition and are not credit impaired assets. The ECL is measured as the portion of lifetime expected credit losses that result from default events possible within the 12 months after the balance sheet date. For Stage I assets, the ECL is calculated by multiplying the Exposure at Default ("EAD") by the Loss Given Default (LGD) by the 1-year Probability of Default (PD).
- **Stage II:** Financial instruments that have had a SICR since initial recognition, but do not have objective evidence of impairment and thus are not deemed to be credit impaired assets. The ECL is measured on a lifetime basis. For Stage II assets, the ECL is calculated by multiplying the EAD by the LGD by the lifetime PD.
- **Stage III:** Financial assets that have objective evidence of impairment and thus are deemed to be credit impaired assets. The ECL is measured on a lifetime basis. For Stage III assets, the ECL is calculated by multiplying the EAD net of any impairment charge by the LGD by a PD of 100%.



# Notes to the Financial Statements (continued)

## 2.2 Financial asset & liabilities at amortised cost (continued)

The ECL calculation requires assumptions on the credit ratings and the LGD of each financial asset in the portfolio. Credit ratings are determined by the Manager and each rating band infers a 1-year PD. The credit rating and LGD assumptions for each asset are assessed at least annually. LGDs are calculated for each asset by the Manager on initial recognition. The LGD is estimated using historical loss rates considering relevant factors for individual exposures or portfolios, adjusted for forward looking information. These factors include collateral, seniority, industry, recovery costs and the structure of the facility.

As at 31 March 2022 and 2021, the majority of the Company's financial assets at amortised cost are classified within Stage 1 and one loan in the portfolio have had an increase in credit risk that required them to be classified within Stage 2. There are no financial assets at Stage 3 for the following reasons:

- The portfolio consists of high-quality infrastructure debt assets that contain strong lender protections,
- The investment strategy has a strong focus on the preservation of capital; and
- There have been no instances of assets where contractual payments are more than 30 days past due.

### Credit Watch

Assets are placed on Credit Watch where there is, or there is an expectation of, a deterioration in the credit quality of the obligor such that heightened monitoring is appropriate. While an asset being placed on the Credit Watch does indicate that the obligor has experienced or is likely to experience some deterioration in credit quality, being placed on Credit Watch does not in itself indicate a Significant Increase in Credit Risk. The Credit Watch process is used to drive additional monitoring and scrutiny, increased escalation for waiver approvals and increased reporting to the MIDIS Investment Committee.

As such, we would expect in most instances to place an asset on Credit Watch before the credit deterioration would require the asset to move to a Stage 2 classification. Accordingly, Credit Watch assets will only move to Stage 2 where they also meet the criteria in relation to a Significant Increase in Credit Risk. An asset would move to Stage 3 if there is objective evidence of impairment and thus is deemed to be credit-impaired. Under IFRS 9, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### Significant Increase in Credit Risk ('SICR')

The Manager periodically assesses exposures to determine whether there has been a SICR, which may be evidenced by either qualitative or quantitative factors. These factors include, but are not limited to, the Manager's internal credit rating movements and the number of days over which receipt of cash in relation to a financial instrument is past due. While an asset indicates that the obligor has experienced or is likely to experience some deterioration in credit quality, this can be placed on Credit Watch, but it does not in itself indicate a Significant Increase in Credit Risk. The SICR methodology is based on a relative credit risk approach which considers changes in an underlying exposures' credit risk since initial recognition.

### Credit-impaired financial asset

Under IFRS 9 a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. It includes observable data that has arisen through the asset monitoring process of a financial asset about the following events:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract, such as a default or past-due event;
- The lender, for economic or contractual reasons relating to the borrower's financial difficulty, granted the borrower a concession that would not otherwise be considered;
- Becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the financial asset because of financial difficulties; or
- The purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

### Defaulted Assets

Default is generally defined as the point when the borrower is unlikely to pay its credit obligation in full, without recourse by the Company to actions such as realisation of available security; or the borrower is 90 days or more past due on an obligation to the Company.

The Manager periodically monitors its exposure for potential indicators of default such as significant financial difficulty of the borrowers including breaches of lending covenants; it is probable that borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or organisation of a financial asset at a deep discount that reflects the incurred credit losses.



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# Notes to the Financial Statements (continued)

## 2.2 Financial asset & liabilities at amortised cost (continued)

### Assets by Sector

As of 31 March 2022, the Company's investments consist of direct investments in five sectors, as well as the Listed Note / Note with Macquarie Infrastructure Debt (UK Inflation Linked) 1B Ireland Designated Activity Company and therefore the sectorial analysis detailed in the table on the following page includes the underlying investments made by MIDF UK1B.

Sector	Percentage of Company Assets	
	2022	2021
Social Infrastructure and other PPP	40%	41%
Power and Energy	30%	37%
Utilities	14%	13%
Transportation	13%	9%
Renewable Energy	3%	-

The overarching impacts or risk factors considered in response to COVID-19 specific to the above sectors have been categorised below:

- The social infrastructure and other PPP investments have evidenced limited impact on cash flows, where PPP project portfolios in particular remain well insulated due to the diverse sources of operating cashflow (even where a small number of demand projects might be held).
- The power and energy investments with residual commodity price exposure (beyond contractual structures and hedging in place) may require additional protection strategies in the event that fluctuations in (or depressed) commodity prices are prolonged.
- The utilities investments have been resilient to date, however potential impacts in the medium to longer term would be driven by economic indicators such as rising inflation if natural or synthetic hedging is not in place to mitigate this risk. The arrears or bad debts profile at the customer level has not materially changed when compared to the pre-COVID period.
- The transportation investments have evidenced a material impact on revenue in the short-term due to lockdown and travel restrictions with significantly reduced passenger volumes, however the liquidity assessment of the underlying businesses indicate that no payment defaults or impairments are currently envisaged. By the end of the period the majority of COVID-19 travel restrictions had been lifted which was a positive signal for the path to recovery.
- The renewable energy investments could experience potential supply chain interruption over time when replenishing spare parts, however proactive inventory management mitigates this risk and this has not impacted the portfolio to date.

As at 31 March 2022, two investments in the Renewable Energy sector remained on Credit Watch due to technical and operating and a regulatory review. Out of these, one investment was removed from watch post improvement in performance and replacement of the operating and maintenance contractor while the second one is being monitored for ongoing discussion with the regulator.

### Financial assets at amortised cost

The Company's investments consist of loan advances directly to borrowers. The intention is to hold investments for more than 12 months. These investments are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment loss, if any. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Comprehensive Income. Any gain or loss on derecognition is recognised in the Statement of Comprehensive Income. The amount of any ECL is included separately in the Statement of Comprehensive Income and amortised cost is reduced by ECL.

Financial assets are tested for impairment on a quarterly basis and on an ad-hoc basis if, through its ongoing monitoring activities, the Manager believes an asset is impaired. If an asset is judged to be impaired, the Manager will prepare a memo outlining the nature and quantum of the impairment.

The Company debt investments are carried at amortised cost in accordance with the Company's accounting policies.

As at 31 March 2022, commitments to borrowers totalled £448.9 million (31 March 2021: £396.3 million), of which £448.9 million had been funded (31 March 2021: £396.3 million).

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# Notes to the Financial Statements (continued)

## 2.2 Financial asset & liabilities at amortised cost (continued)

The following table shows a reconciliation from the opening balances to the closing balances for financial assets at amortised cost.

	£'000 31 March 2022	£'000 31 March 2021
<b>Financial assets at amortised cost at beginning of the year</b>	<b>370,788</b>	<b>344,736</b>
Purchase of debt investments	74,955	33,302
Interest income from debt investments	26,543	15,025
Repayments of debt investments	(41,512)	(14,172)
Interest payments received from debt investments	(6,720)	(6,445)
Increase in expected credit losses	(849)	(1,658)
<b>Financial assets at amortised costs at the end of the year</b>	<b>423,205</b>	<b>370,788</b>

The table below shows how ECL on debt investments as at 31 March 2022 reconciles to the closing position as at 31 March 2021:

	Stage I* 12 month ECL	Stage II* Life time ECL	£'000 31 March 2022 Total ECL allowance
Expected credit loss provision			
At beginning of the year	194	1,611	1,805
Expected credit losses during the year	(3)	852	849
<b>At end of the financial year</b>	<b>191</b>	<b>2,463</b>	<b>2,654</b>

	Stage I* 12 month ECL	Stage II* Life time ECL	£'000 31 March 2021 Total ECL allowance
Expected credit loss provision			
At beginning of the year	147	-	147
Expected credit losses during the year	47	1,611	1,658
<b>At end of the financial year</b>	<b>194</b>	<b>1,611</b>	<b>1,805</b>

\*For definitions of stage I, and II, refer to Note 2.2 Expected credit losses. Whilst exposures may migrate to stage II on account of rating downgrade, it should not be inferred that such exposures are of a lower credit quality.

### Financial liabilities at amortised cost

As at 31 March 2022, the Company had issued Profit Participating Notes to MIDF LP for a nominal value of £1,500 million of which £395.8 million had been drawn.

As at 31 March 2021, the Company had issued Listed Loan Notes to MIDF LP for a nominal value of £396.3 million, of which £396.3 million had been drawn.

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# Notes to the Financial Statements (continued)

## 2.2 Financial asset & liabilities at amortised cost (continued)

The following table shows a reconciliation from the opening balances to the closing balances for financial liabilities at amortised cost.

	£'000 31 March 2022	£'000 31 March 2021
<b>Financial liabilities at amortised cost at beginning of the year</b>	<b>374,682</b>	<b>348,040</b>
Issue of notes	472,166	33,301
Interest expense on notes	25,100	14,861
Repayments of notes	(434,416)	(14,171)
Interest paid on notes	(4,621)	(5,591)
Expected credit losses	(824)	(1,758)
<b>Financial liabilities at amortised cost at end of the year</b>	<b>432,087</b>	<b>374,682</b>

## 3. Other assets and liabilities

### 3.1 Receivables and prepayments

Receivables are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method, less accumulated expected credit losses. The impairment model requires impairment allowances for all exposures from an asset's origination date, based on the deterioration of credit risk since initial recognition. If the credit risk is not deemed to have increased significantly, then the impairment allowance is based on 12 month expected losses. If the credit risk has increased significantly or if the asset becomes 'credit impaired' then allowances must be based on lifetime expected losses. As at 31 March 2022, expected credit losses on receivables were immaterial.

Prepayments are expenses for services paid for in advance.

	£'000 31 March 2022	£'000 31 March 2021
Amounts due from debt investments	-	124
Amounts due from related parties	263	137
Taxation refund receivable	337	340
Prepayments	13	35
<b>Total receivables and prepayments</b>	<b>613</b>	<b>636</b>

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# Notes to the Financial Statements (continued)

## 3.2 Payables and accrued expenses

Payables and accrued expenses are amounts owed in the ordinary course of business. They are classified as liabilities. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables and accrued expenses are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

	£'000 31 March 2022	£'000 31 March 2021
Amounts due to related parties	1,000	1,000
Corporate tax payable	1	-
Legal and professional fees payable	4	61
Audit fees payable	61	61
<b>Total payables and accrued expenses</b>	<b>1,066</b>	<b>1,122</b>

## 4. Capital and risk Management

### 4.1 Share capital

The Company's share capital is denominated in Sterling. At any general meeting of the Company each ordinary share carries one vote. The ordinary share also carries the right to receive all income of the Company attributable to the ordinary shares, and to participate in any distribution of such income made by the Company.

	£'000 31 March 2022	£'000 31 March 2021
<b>Authorised share capital</b>		
1,000,000 Ordinary shares of £1 each	100,000	100,000
<b>Allotted, Called and fully paid equity</b>		
1 Ordinary shares of £1 each	-	-

### 4.2 Investment management fees

Under the terms of the Investment Management ("IM") Agreement, the Company appointed the Manager as manager of the Company's investment portfolio. The Manager is entitled to an investment management fee calculated in accordance with the IM Agreement. The IM fees (excluding origination fees) are included in the Statement of Comprehensive Income.

Ongoing fees are calculated as 0.35% before 24 October 2018 and are calculated as 0.31% after the 25 October 2018 per annum of the value of the assets under management, being the aggregate principal amount of all debt investments, less any principal repayments received and less any impairments recognised.

### 4.3 Financial risk management

The Company invests in debt issued by infrastructure borrowers located in the UK, with the majority of debt being inflation linked. These activities expose it to a variety of financial risks: market risk (which may include interest rate risk, inflation risk and foreign currency risk), credit risk and liquidity risk.

#### Risk Management

The Company's overall risk management program focuses on ensuring compliance with MIDF LP's investment guidelines and seeks to minimise potential adverse effects on the financial performance of the Company.

Financial risk management is monitored by the Manager. The Manager shall be responsible for providing or procuring portfolio management and risk management services to the Company, including sourcing, analysing, structuring and discussing investment and divestment opportunities for the Company and for evaluating, monitoring and advising in respect of voting rights in respect of the Company's assets.

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# Notes to the Financial Statements (continued)

## 4.3 Financial risk management (continued)

Further details regarding these policies are set out below:

### a. Market risk

#### i. Interest rate risk

Interest rate risk is the risk borne by floating interest-bearing assets and liabilities due to variability of interest rates, where the amount of interest due in respect of investments may be adjusted to reflect increases or decreases in interest rates. The majority of the Company's financial assets are financial assets at amortised cost, receivables and cash and cash equivalents.

As at 31 March 2022 and 31 March 2021, the Company's financial assets at amortised cost were issued at either a fixed interest rate or a floating interest rate, with principal adjusted for inflation in some instances. Debt investments with a floating rate of interest will be exposed to changes in interest rates.

The interest rate exposure as at 31 March 2022 and 31 March 2021 is as follows:

	31 March 2022			
	£'000 Floating rate	£'000 Fixed rate	£'000 Non-interest bearing	£'000 Total
Financial assets at amortised cost	71,252	351,953	-	423,205
<b>Total</b>	<b>71,252</b>	<b>351,953</b>	<b>-</b>	<b>423,205</b>

	31 March 2021			
	£'000 Floating rate	£'000 Fixed rate	£'000 Non-interest bearing	£'000 Total
Financial assets at amortised cost	94,729	276,059	-	370,788
<b>Total</b>	<b>94,729</b>	<b>276,059</b>	<b>-</b>	<b>370,788</b>

#### Sensitivity Analysis

The Directors consider 25 basis points appropriate for evaluating the interest rate risk to the Company. If interest rates changed by 25 basis points, with all other variables remaining constant, the effect on the interest income from loans advanced in the period would be as follows:

	Reasonable possible shift in rate	£'000 31 March 2022	£'000 31 March 2021
Increase/(decrease) in interest income from financial assets at amortised cost due to movement in the interest rates	+/- .25%	6/(6)	395/(395)

#### ii. Foreign currency risk

Foreign currency risk arises where the Company's assets and liabilities denominated in currencies other than Sterling fluctuate due to changes in exchange rates. At 31 March 2022 and 31 March 2021, the Company had no significant currency exposure as assets and liabilities are predominantly denominated in Sterling.

### b. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from debt securities held, cash and cash equivalents and receivables.

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# Notes to the Financial Statements (continued)

## 4.3 Financial risk management (continued)

### b. Credit risk (continued)

The maximum exposure to credit risk before any credit enhancements at each reporting date is the carrying amount of the financial assets as set out below.

None of these assets are past due and they have not been impaired as at 31 March 2022 (2021: Nil).

	£'000 31 March 2022	£'000 31 March 2021
Financial assets at amortised cost	423,205	370,788
Receivables and prepayments	613	636
Cash and cash equivalents	9,399	4,440
<b>Closing balance</b>	<b>433,217</b>	<b>375,864</b>

To mitigate credit risk, the Company will only target debt investments which are rated MR8 (which is broadly equivalent to an S&P BBB- rating) or above by the Manager's internal ratings template. The Company's bankers have an S&P A- rating.

All debt investments are subject to recurring reviews and assessments for possible impairment by the Manager's Investment Team. Where there is a deteriorating credit risk profile, debt investments may be placed on Credit Watch, being the Manager's designation for increased monitoring on specific loans and reported to the Manager's Investment Committee.

As at 31 March 2022, two investments in the Renewable Energy sector remained on Credit Watch due to technical and operating and a regulatory review. Out of these, one investment was removed from watch post improvement in performance and replacement of the operating and maintenance contractor while the second one is being monitored for ongoing discussion with the regulator.

The Directors consider applying a downgrade of one rating across the portfolio of investments, based on the Manager's internal credit rating, to be appropriate methodology for evaluating the sensitivity and risk to the Company of the ECL. If the Manager's internal credit rating for the portfolio of investments were downgraded by one rating, with all other variables remaining constant, the effect on ECL on financial assets at amortised cost in the period would be as follows:

31 March 2022	Stage I* £'000	Reasonable possible shift (absolute value) on average PD	£'000 Change in ECL +/-
Financial assets at amortised cost	415,070	14bps	317/(317)

31 March 2022	Stage II* £'000	Reasonable possible shift (absolute value) on average PD	£'000 Change in ECL +/-
Financial assets at amortised cost	8,135	40bps	346/(346)

31 March 2021	Stage I* £'000	Reasonable possible shift (absolute value) on average PD	£'000 Change in ECL +/-
Financial assets at amortised cost	334,210	10bps	84/(84)

31 March 2021	Stage II* £'000	Reasonable possible shift (absolute value) on average PD	£'000 Change in ECL +/-
Financial assets at amortised cost	36,578	10bps	762/(762)

\*For definitions of stage I, and II, refer to Note 2.2 Expected credit losses. Whilst exposures may migrate to stage II on account of rating downgrade, it should not be inferred that such exposures are of a lower credit quality.

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# Notes to the Financial Statements (continued)

## 4.3 Financial risk management (continued)

### c. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is mitigated as the Company has the ability to call on undrawn commitments from the Notes issued to MIDF 1B LP. As at 31 March 2022, there are no undrawn loan commitments.

The Company's policy and the Manager's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company invests in infrastructure debt investments which in nature are highly illiquid. As a result, the Company may not be able to liquidate some of its investments in these instruments in due time to meet its liquidity requirements. Contractual maturity of trade and other payables at the reporting date is under 12 months.

The table below analyses the Company's financial liabilities into relevant maturity grouping based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual discounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

The liquidity risk exposure of the Company as at 31 March 2022 and 31 March 2021 are as follows:

	31 March 2022			
	£'000 Less than 3 months	£'000 Between 3 months and 1 year	£'000 Between 1 year and 5 years	£'000 More than 5 years
Financial liabilities at amortised cost	-	-	-	(432,087)
Payables and accrued expenses	-	(66)	-	-
Amount due to related party	-	(1,000)	-	-
<b>Total</b>	<b>-</b>	<b>(1,066)</b>	<b>-</b>	<b>(432,087)</b>

	31 March 2021			
	£'000 Less than 3 months	£'000 Between 3 months and 1 year	£'000 Between 1 year and 5 years	£'000 More than 5 years
Financial liabilities at amortised cost	-	-	-	(374,682)
Payables and accrued expenses	-	(122)	-	-
Amount due to related party	-	(1,000)	-	-
<b>Total</b>	<b>-</b>	<b>(1,122)</b>	<b>-</b>	<b>(374,682)</b>

### d. Capital management risk

The capital of the Company is represented by the net assets attributable to the Equity shareholder. The Company's capital management objective is to ensure that the Company will be able to continue as a going concern.

In accordance with the Company's investment policy, the Company's principal use of cash has been to fund investments in the form of loans sourced by the Manager. The Company monitors and reviews the broad structure of the Company's capital on an on-going basis.

The Company has no imposed capital requirements and the Company's capital comprises of Equity Shareholders' Funds as reported within the Statement of Financial Position.

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# Notes to the Financial Statements (continued)

## 4.3 Financial risk management (continued)

### d. Capital management risk (continued)

The Company's capital comprises:

	£'000 31 March 2022	£'000 31 March 2021
Ordinary share capital	-	-
Retained earnings	64	60
<b>Total equity</b>	<b>64</b>	<b>60</b>

\*The share capital amounts to £1

## 5. Fair value measurement

Fair value reflects the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amount of future cash flows, discount rates, credit risk, volatility and correlation.

IFRS 13 'Fair Value Measurement' establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 input) and the lowest priority to unobservable inputs (Level 3 inputs). Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices, either for the identical instrument or similar instruments, generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

In accordance with IFRS13, Fair value measurement, the Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

### Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date.

### Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices including interest rates, yield curves, volatilities, prepayment speeds, credit risks and default rates) or other market corroborated inputs.

### Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Assumptions and inputs used in this valuation technique include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates and expected price volatilities and correlations.

At 31 March 2022 and at 31 March 2021, the Company does not have assets or liabilities held at fair value, however under IFRS 13 fair value disclosures are required for financial instruments held at amortised cost.

The following methods and significant assumptions have been applied in determining the fair values of financial assets which are carried at amortised cost:

- The fair values of liquid assets and other instruments maturing within three months are approximate to their carrying amounts. This assumption is applied to cash and cash equivalents and other receivables and payables that are short-term in nature; and
- The fair value of loans advanced is based on the Manager's Mark-to-Model Valuation as defined in MIDF 1B LP's Limited Partnership Agreement, dated 3 November 2014.



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# Notes to the Financial Statements (continued)

## 5. Fair value measurement (continued)

The following table analyses the fair value hierarchy of the Company's assets and liabilities (by class) not measured at fair value but for which fair value is disclosed:

31 March 2022	£'000 Level 1	£'000 Level 2	£'000 Level 3	£'000 Total
<b>Assets</b>				
Debt investments	-	-	441,233	441,233
<b>Total</b>	-	-	<b>441,233</b>	<b>441,233</b>
<b>Liabilities</b>				
Notes*	-	-	(450,174)	(450,174)
<b>Total</b>	-	-	<b>(450,174)</b>	<b>(450,174)</b>

31 March 2021	£'000 Level 1	£'000 Level 2	£'000 Level 3	£'000 Total
<b>Assets</b>				
Debt investments	-	-	402,773	402,773
<b>Total</b>	-	-	<b>402,773</b>	<b>402,773</b>
<b>Liabilities</b>				
Note*	-	-	(389,394)	(389,394)
<b>Total</b>	-	-	<b>(389,394)</b>	<b>(389,394)</b>

\*Notes issued to MIDF 1B LP are not valued at TISE quoted loan note prices due to the Directors believing there is not sufficient liquidity in this market to provide a reliable valuation. The fair value of listed loan notes is determined using the Manager's Mark-to-Model valuation methodology.

The carrying value of receivables and prepayments, cash and cash equivalents and payables and accrued expenses is deemed to be equivalent to their fair value.

Following the existence of COVID-19, the Directors, in conjunction with the Manager, undertook a review of each underlying asset in the portfolio to understand the potential impacts on those businesses and to identify where heightened monitoring was required paying particular attention to operating performance and financial covenants.

The air, rail and road sectors have faced the most challenging operating conditions, however the structural protections in place within the financing documentation and the available liquidity reserves have meant that the borrowers have continued to meet their payment obligations and the investments in the portfolio in these sectors remain insulated from any deviation in the repayment profile to date.

Commodity price volatility was also monitored closely, paying particular attention to the downside, however the assets within the portfolio across the power, gas and renewables sectors have revenue and/or cost protection mechanisms in place to mitigate against a material portion of this risk. Where some commodity price exposure remains, this is being monitored closely, however this has not resulted any financial covenant breaches to date, nor the borrower's ability to service their financing obligations.

More broadly, supply chains and the economic environment and corresponding assumptions are also being monitored with proactive strategies to mitigate associated risks implemented where available.

To assess any potential change in the underlying credit quality of each asset a credit rating assessment is performed annually (at minimum). In light of COVID-19 a rating review of each asset on Credit Watch as a result of COVID-19 impacts was undertaken outside of the annual cycle to factor in the impact of the actual results to the point of review (with a meaningful data set) and incorporating the forecast operating position based on a revised recovery profile.

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# Notes to the Financial Statements (continued)

## 5. Fair value measurement (continued)

For the majority of assets, short-term shocks do not materially impact the view of fundamental credit position so long as they have sufficient liquidity to meet their short-term business needs. The Directors, in conjunction with the Manager, consider macroeconomic shocks when underwriting these assets and the credit ratings assigned are based on a view which allows for variation through a normal business cycle. However, the reduction in global economic activity that has been experienced in response to COVID-19 is unprecedented and therefore in some cases this has resulted in a downgrade of the rating.

The valuation of financial assets at fair value through profit or loss incorporates the Manager's best judgement of the impacts of COVID-19. The severity and duration of the impacts of COVID-19 and the trajectory of economic recovery has improved following the financial year end to which the financial statements relate, however potential COVID-19 impacts remain under review.

## 6. Taxation

The Company's current tax comprises the expected tax payable on the taxable income for the year and any adjustments to the tax payable in respect of the previous year. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of reporting period date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

	£'000 31 March 2022	£'000 31 March 2021
<b>Current taxation</b>		
Irish corporation tax for financial year on ordinary activities	(1)	-
Tax refund for prior period*	-	252
<b>Total current taxation</b>	<b>(1)</b>	<b>252</b>
Deferred tax charge for the financial year	-	-
<b>Total tax refund / (charge) for the financial year</b>	<b>(1)</b>	<b>252</b>

The current tax charge for the financial period is calculated based on the result for the financial period at a rate of 25%. A reconciliation of the current tax charge for the period to the current charge that would result from applying the standard rate of Irish corporation tax to profit on ordinary activities is shown below:

	£'000 31 March 2022	£'000 31 March 2021
Operating profit/(loss) for the year before tax	5	(901)
Current tax at 25%	(1)	-
Tax refund for prior period*	-	252
<b>Total current tax refund / (charge)</b>	<b>(1)</b>	<b>252</b>

The Company is a qualifying company within the meaning of Section 110 of the Irish Taxes Consolidation Act 1997 ("TCA"). As such, the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D of the TCA.

\*The amount is adjusted to reflect the net tax expense incurred in the current year after adjustment of profit in Previous Year ended 31 March 2021.

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# Notes to the Financial Statements (continued)

## 7. Other disclosures

### 7.1 Related party transactions

#### Investment Manager

The Manager is a related party of the Company, being responsible for certain investment advisory and management decisions.

The below table provides details on the Company's fee incurred/payable during the year:

	£'000 31 March 2022	£'000 31 March 2021
Investment management fee incurred	1,317	1,192
Investment management fee payable	648	610

#### The Administrator

The Administrator is a related party of the Company, being responsible for providing director services, certain administration, registrar and accounting services. The below table provides details on the Company's fee incurred/payable during the year:

	£'000 31 March 2022	£'000 31 March 2021
Administration fee incurred	64	52
Administration fee payable	14	13

#### Macquarie Infrastructure Debt (UK Inflation Linked) 1B Partnership L.P.

The below table provides details on the Company's annual fee earned/receivable during the year:

	£'000 31 March 2022	£'000 31 March 2021
Corporate benefit fee income	-	1
Corporate benefit fee receivable	-	2

The below table provides details on the Company's Expense deed fee received/receivable during the year, and in accordance with the Expenses Deed:

	£'000 31 March 2022	£'000 31 March 2021
Reimbursements from MIDF 1B LP	19	272
Reimbursements receivable from MIDF 1B LP	-	135

The below table provides details on Company's Issuance fee payable during the year:

	£'000 31 March 2022	£'000 31 March 2021
Other fee payable to MIDF 1B LP	-	2
Deferred income from MIDF 1B LP	-	35
Corporate tax refund payable to MIDF 1B LP	338	340

The Company is a wholly owned subsidiary of MIDF 1B LP acting through its General Partner, MIDF UK1B Guernsey GP Limited. There is no ultimate controlling party of MIDF 1B LP.

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# Notes to the Financial Statements (continued)

## 7. Other disclosures (continued)

### 7.2 Employees and Directors

The Company did not have any employees during the financial year.

In relation to all Directors who held office during the year and in accordance with sections 305 to 312 of the Companies Act, 2014 no director fees were incurred for the financial year as all Directors were employees of the Administrator and their services were provided as part of the wider agreement in place with the Administrator.

### 7.3 Events occurring after the reporting period

The Directors will assess the ongoing situation on a regular basis and ensure all risks are mitigated to a minimum to effectively protect the Company's investments from any adverse fluctuations and safeguard the Company's going concern status.

Since the balance sheet date, the COVID-19 pandemic has continued to evolve and may have an impact on specific areas of judgement required for preparing these financial statements. The Company has continued to re-evaluate the significant inputs used to drive the value of financial assets on a regular basis up to the date of this report. Based on these evaluations, the Company has determined there are no material events which would require disclosure or adjustment in the financial statements.

Following the change in business model, all Company's' investments are to be measured at fair value through profit or loss. In accordance with IFRS 9 'Financial Instruments', financial instruments may only be reclassified on the first day of the reporting period following the change of business model and therefore the Company's direct assets will be re-classified into financial assets at fair value through profit or loss from 1 April 2022.

**For more information, please contact:**

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