Note 34
Related party information

Subsidiaries

Transactions between the Company and its subsidiaries principally arise from the granting of loans and the provision of management and administration services.

All transactions with subsidiaries are in accordance with regulatory requirements, the majority of which are on commercial terms. All transactions undertaken during the financial year with subsidiaries are eliminated in the consolidated financial statements. Amounts due from and due to subsidiaries are presented separately in the statement of financial position of the Company except when the parties have the legal right and intention to offset.

Balances arising from lending and borrowing activities between the Company and its subsidiaries are typically repayable on demand, but may be extended on a term basis and where appropriate may be either subordinated or collateralised.

In the financial year ended 31 March 2008 the Company received a $10.1 billion intra-group loan from MBL of which $737 million was outstanding at 31 March 2011. This facility was repaid on 27 April 2011.

A list of material subsidiaries is set out in note 19 – Investments in subsidiaries.

The Company as the ultimate parent entity of the Macquarie Group, is the head entity of the Australian tax consolidated group and has entered into a tax funding agreement with its eligible Australian resident subsidiaries. The terms and conditions of this agreement are set out in note 1(vii) – Summary of significant accounting policies. During the year ended 31 March 2012, current tax liabilities of subsidiaries assumed by MGL as the head entity of the tax consolidated group amounted to $94 million (2011: $201 million). As at 31 March 2012, the amount receivable by the Company under the tax funding agreement with the tax consolidated entities is $172 million (2011: $294 million receivable). This balance is included in Due from subsidiaries in the Company's separate statement of financial position.

The following income/(expense) resulted from transactions with subsidiaries during the financial year:

	Consolidated 2012 $m	Consolidated 2011 $m	**Company 2012 $m**	Company 2011 $m
Interest income received/receivable	**–**	–	**349**	521
Interest expense paid/payable	**–**	–	**(32)**	(91)
Share-based payments to employees of subsidiaries (note 32)	**–**	–	**(241)**	(278)
Dividends and distributions (note 2)	**–**	–	**492**	635
The following balances with subsidiaries were outstanding as at financial year end:				
Amounts receivable	**–**	–	**7,317**	9,530
Amounts payable[1]	**–**	–	**(1,072)**	(1,951)

[1] As described in note 1(xx) – Summary of significant accounting policies, the Company has recognised a liability as at 31 March 2012 of $338 million (2011: $189 million) for amounts received in advance as at 31 March 2012 from subsidiaries for the MEREP offered to their employees and yet to be recognised as a share-based payment expense by the subsidiary. To the extent that the awards vest, this amount will be retained by the Company as compensation for issuing and releasing the shares to the subsidiary employees.

Outstanding balances are unsecured and are repayable in cash. The weighted average interest rate charged on outstanding balances receivable/payable are disclosed in note 42 – Average interest bearing assets and liabilities and related interest.