

## Note 17

### Reserves, retained earnings and non-controlling interests continued

#### Non-controlling interests

##### Macquarie Income Securities

The Macquarie Income Securities issued by MBL, a subsidiary, were listed for trading on the Australian Stock Exchange (now Australian Securities Exchange) on 19 October 1999 and became redeemable (in whole or in part) at MBL's discretion on 19 November 2004. Interest is paid quarterly at a floating rate of BBSW plus 1.7 per cent per annum (31 March 2014: 1.7 per cent per annum; 30 September 2013: 1.7 per cent per annum). Payment of interest to holders is subject to certain conditions, including the profitability of MBL. They are a perpetual instrument with no conversion rights.

##### Macquarie Income Preferred Securities

On 22 September 2004, Macquarie Capital Funding LP, a subsidiary of the Company, issued £350 million of MIPS. MIPS, guaranteed non-cumulative step-up perpetual preferred securities, currently pay a 6.177 per cent (31 March 2014: 6.177 per cent; 30 September 2013: 6.177 per cent) per annum semi-annual non-cumulative fixed rate distribution. They are perpetual securities and have no fixed maturity but may be redeemed on 15 April 2020, at MGL's discretion. If redemption is not elected on this date, the distribution rate will be reset to 2.35 per cent per annum above the then five-year benchmark sterling gilt rate. MIPS may be redeemed on each fifth anniversary thereafter at MGL's discretion. The first coupon was paid on 15 April 2005. Following the cancellation of £307.5 million MIPS in September 2009, £42.5 million MIPS remain on issue.

These instruments are classified as equity in accordance with AASB 132 Financial Instruments: Presentation and reflected in the Consolidated Entity's financial statements as a NCI, with distribution entitlements being included with NCI share of profit after tax. Distribution policies for these instruments are included in note 5 – Dividends and distributions paid or provided for.

	As at 30 Sep 2014 \$m	As at 31 Mar 2014 \$m	As at 30 Sep 2013 \$m
<b>Macquarie Income Securities</b>			
4,000,000 Macquarie Income Securities of \$100 each	400	400	400
Less transaction costs for original placement	(9)	(9)	(9)
<b>Total Macquarie Income Securities</b>	<b>391</b>	<b>391</b>	<b>391</b>
<b>Macquarie Income Preferred Securities</b>			
Proceeds on issue of Macquarie Income Preferred Securities	109	109	107
Less issue costs	(1)	(1)	(1)
	<b>108</b>	<b>108</b>	<b>106</b>
Foreign currency translation reserve	(30)	(32)	(35)
<b>Total Macquarie Income Preferred Securities</b>	<b>78</b>	<b>76</b>	<b>71</b>
<b>Other non-controlling interests</b>			
Ordinary share capital	56	28	28
Preference share capital	2	2	2
Foreign currency translation reserve	–	–	(1)
Retained earnings	(1)	(1)	(1)
<b>Total other non-controlling interests</b>	<b>57</b>	<b>29</b>	<b>28</b>
<b>Total non-controlling interests</b>	<b>526</b>	<b>496</b>	<b>490</b>