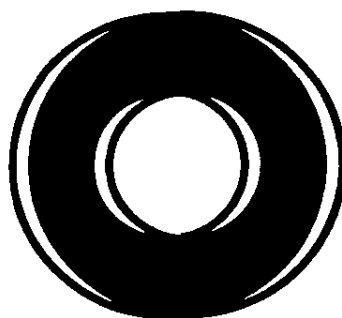


Company Registration Number: 01802574

**MACQUARIE INTERNATIONAL LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2011**



**MACQUARIE**



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

<b>CONTENTS</b>	<b>PAGE</b>
General information	3
Directors' report	4-6
Independent auditors' report	7
Profit and loss account	8
Statement of total recognised gains and losses	9
Balance sheet	10
Notes to the financial statements	11-26

**MACQUARIE INTERNATIONAL LIMITED****COMPANY NUMBER 01802574****GENERAL INFORMATION****Directors**

R Tallentire  
J Walker

**Secretaries**

E Doornenbal	(appointed on 24 September 2010)
J Greenfield	
D Tan	(resigned on 24 September 2010)

**Registered office**

Ropemaker Place  
28 Ropemaker Street  
London EC2Y 9HD  
United Kingdom

**Chartered Accountants and Statutory Auditors**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT  
United Kingdom

**Company number** 01802574

**DIRECTORS' REPORT**

The directors present their report and the audited financial statements for Macquarie International Limited ("the Company") for the year ended 31 March 2011

**PRINCIPAL ACTIVITIES**

The Company is incorporated in England and Wales and has branches in Seoul and Hong Kong

The principal activities of the Company within the United Kingdom are to act as an investment holding company and also facilitate employment agreements with Asian entities. The Company holds an investment in Global Star Korea Fund L P, a limited partnership, which was established to seek medium to long-term capital appreciation by acquiring, holding and disposing of equity and equity related investments in Korea.

The principal activity of the Seoul branch is the provision of corporate advisory services and secondment of staff to joint ventures associated with the Macquarie Group.

The Hong Kong branch facilitates employment and secondment agreements amongst various Hong Kong entities within the Macquarie Group.

In the opinion of the Directors, there were no significant changes to the principal activities of the Company during the financial year under review not otherwise disclosed in this report.

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

On 16 August 2010 and 28 February 2011, the Company invested a further US\$27,877 and US\$38,005 respectively in Global Star Korea Fund L P.

The Company does not envisage any changes in activities for the foreseeable future.

**POST BALANCE SHEET DATE EVENTS**

On 17 August 2011 and 21 February 2012 the Company invested a further US\$36,395 and US\$37,639 respectively in Global Star Korea Fund L P.

On 3 November 2011 the Company purchased 100% of the ordinary shares at par value in Capitco Investments SL for a total consideration of €3,000 (3,000 ordinary shares of €1). Capitco Investments SL is incorporated in Spain, which was acquired to act in a bid for a Spanish Public Private Partnership ("PPP") Infrastructure Programme.

On 21 December 2011 the Company purchased 100% of the ordinary shares of Dextertown S L, a company incorporated in Spain, from Macquarie Asset Finance Limited ("MAFL"). Dextertown S L was acquired to act in a bid for a Spanish PPP Infrastructure Programme. The purchase price paid by MIL was €2,025, the market value and net asset value of the company at the date of transfer.

On 21 December 2011 the Company purchased 100% of the ordinary shares in Ganeta Investments S L ("Ganeta"), a company incorporated in Spain, from MAFL. Ganeta was acquired to act in a bid for a Spanish PPP Infrastructure Programme. The purchase price paid by MIL was €512,000, the market value as at the date of transfer. Subsequently, its market value has fallen as it was unsuccessful in its bid, so the Company's investment in Ganeta has been impaired by €511,075 to its net asset value of €925.

At the date of this report, the Directors are not aware of any other matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2011 not otherwise disclosed in this report.

**RESULTS AND DIVIDENDS**

The Company's loss after tax for the financial year was £862,862 (2010 £3,197,422 profit).

An interim dividend of £9,000,000 was paid in September 2010 (2010 nil).

**DIRECTORS' REPORT (CONTINUED)****PRINCIPAL RISKS AND UNCERTAINTIES**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Macquarie Group and are not managed separately. Accordingly, the principal risks and uncertainties of Macquarie Group Limited, which include those of the Company, are discussed in its financial statements and can be obtained from the address given in Note 25.

**KEY PERFORMANCE INDICATORS ("KPIs")**

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

**FINANCIAL RISK MANAGEMENT**

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

RMG is independent of all other areas of the Macquarie Group, reporting directly to the Managing Director and the Board of Macquarie Group Limited ("MGL"). The Head of RMG is a member of the Executive Committee of MGL. RMG authority is required for all material risk acceptance decisions. RMG identifies, quantifies and assesses all material risks and sets prudential limits. Where appropriate, these limits are approved by the Executive Committee and the Board.

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

**Credit risk**

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

**Liquidity risk**

The directors have adopted the risk model used by the Macquarie Group, as approved by RMG. This model is incorporated into the Macquarie Group's risk management systems to enable the Company to manage this risk effectively.

**Interest rate risk**

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

**Foreign exchange risk**

The Company has foreign exchange exposures which include amounts payable to other Macquarie Group undertakings which are denominated in non-functional currencies.

Material non-functional currency exposures are managed by transferring the exposure to Macquarie Capital Group Limited and Macquarie Financial Holdings Limited.

**DIRECTORS' REPORT (CONTINUED)****DIRECTORS**

The directors of the Company holding office during the year were as follows

A Hunter	(resigned on 10 December 2010)
P Kirk	(resigned on 15 September 2010)
R Tallentire	
J Walker	

**CREDITORS' PAYMENT POLICY**

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Act 2006 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing financial statements, the directors are required to

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


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

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

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

On behalf of the Board



Robert Tallentire  
Director  
16 March 2012

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MACQUARIE INTERNATIONAL LIMITED**

We have audited the financial statements of Macquarie International Limited for the year ended 31 March 2011 which comprises the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Craig Stafford (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London 16 March 2012

**MACQUARIE INTERNATIONAL LIMITED****COMPANY NUMBER 01802574****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	2010 £
<b>Turnover</b>	1 (a)	28,051,368	29,934,834
Administrative expenses		<u>(26,430,091)</u>	<u>(27,564,410)</u>
		1,621,277	2,370,424
Other operating incomes / (charges)	1 (b)	<u>(381,169)</u>	<u>52,888</u>
<b>OPERATING PROFIT</b>		1,240,108	2,423,312
Impairment of fixed asset investment	12	(74,506)	(362,213)
Interest receivable and similar income	3	3,279,373	7,727,818
Interest payable and similar charges	4	<u>(3,227,216)</u>	<u>(4,912,210)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	1,217,759	4,876,707
Tax on profit on ordinary activities	9	<u>(2,080,621)</u>	<u>(1,679,285)</u>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>(862,862)</u>	<u>3,197,422</u>

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

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

The notes on pages 11 to 26 form part of these financial statements



**MACQUARIE INTERNATIONAL LIMITED****COMPANY NUMBER 01802574****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £	2010 £
Profit / (loss) for the financial year	(862,862)	3,197,422
Movement in foreign currency translation reserve (note 22)	(1,096,022)	1,393,501
Fair value movements on available for sale investments (note 22)	-	(222,675)
Total recognised gains / (losses) for the financial year	<u>(1,958,884)</u>	<u>4,368,248</u>

The notes on pages 11 to 26 form part of these financial statements

**MACQUARIE INTERNATIONAL LIMITED****COMPANY NUMBER 01802574****BALANCE SHEET AS AT 31 MARCH 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	11	24,832	457,573
Available for sale investments	12	<u>1,871,312</u>	<u>2,045,402</u>
		1,896,144	2,502,975
<b>CURRENT ASSETS</b>			
Cash at bank	14	17,754,803	14,208,056
Debtors	13	94,136,113	126,725,843
Deferred tax asset	10	<u>4,228,137</u>	<u>4,908,591</u>
		116,119,053	145,842,490
<b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	15	(92,607,726)	(100,772,465)
<b>NET CURRENT ASSETS</b>		<u>23,511,327</u>	<u>45,070,025</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		25,407,471	47,573,000
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	16	(10,872,826)	(22,389,179)
<b>NET ASSETS</b>		<u>14,534,645</u>	<u>25,183,821</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	2,500,000	2,500,000
Equity contribution from ultimate parent	20	9,637,429	9,327,721
Other reserves	22	186,590	1,282,612
Profit and loss account		<u>2,210,626</u>	<u>12,073,488</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	23	<u>14,534,645</u>	<u>25,183,821</u>

The notes on pages 11 to 26 form part of these financial statements

The financial statements on pages 8 to 26 were approved by the board of directors on 6 March 2012 and were signed on its behalf by



Robert Tallentire  
Director

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011****1 ACCOUNTING POLICIES**

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial instruments, in accordance with the Companies Act 2006, and with applicable accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice)

The financial statements contain information about Macquarie International Limited ("the Company") as an individual company

The particular policies adopted are described below as follows

**a) TURNOVER**

Turnover for the year comprises

- (i) Management and other fee income, including advisory fees, which is brought to account as work is completed and a fee is agreed with clients,
- (ii) Amounts relating to the facilitation of staff secondments to overseas companies within the Macquarie Group, as well as other external counterparties, which are brought to account in accordance with agreements in place

**b) OTHER OPERATING INCOME / (CHARGES)**

Net gains or losses arising from foreign currency transactions are accounted for as other operating incomes or charges respectively

**c) INTEREST**

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

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

**d) CASH AT BANK**

Cash at bank comprises cash deposits held at call with banks

**e) TAXATION AND DEFERRED TAXATION**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****1 ACCOUNTING POLICIES (CONTINUED)****f) AVAILABLE FOR SALE INVESTMENTS**

Investment securities available for sale comprise securities that are not actively traded and are intended to be held for an indefinite period. Such securities are available for sale and may be sold should the need arise, including purposes of liquidity, or due to the impacts of changes in interest rates, foreign exchange rates or equity prices.

Investment securities available for sale are initially carried at fair value plus transaction costs. Gains and losses arising from subsequent changes in fair value are recognised directly in the available for sale reserve in equity until the asset is derecognised or impaired, at which time the cumulative gain or loss is recognised in the income statement.

If the relevant market is not considered active (or the securities are unlisted), fair value is established by using valuation techniques, including recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The Company performs an assessment at each reporting date to determine whether there is any objective evidence that available for sale financial assets have been impaired. Impairment exists if there is objective evidence of impairment as a result of one or more events (loss event) which have an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For equity securities classified as available for sale, the main indicators of impairment are significant changes in the market, economic or legal environment, and a significant or prolonged decline in fair value below cost. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance, operational and financing cash flows or changes in technology.

When the fair value of an available for sale financial asset is less than its initial carrying amount and there is objective evidence that the asset is impaired, the cumulative loss recognised directly in equity is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement for equity securities classified as available for sale are not subsequently reversed through the income statement.

**g) PERFORMANCE BASED REMUNERATION**

The ultimate parent entity, Macquarie Group Limited ("MGL"), operates share-based compensation plans, which include options granted to employees and shares (including those delivered through the Macquarie Group Employee Retained Equity Plan ("MEREP")) granted to employees under share acquisition plans. Information relating to these schemes is set out in note 21. The Company recognises an expense for the shares and options granted to its employees by MGL. The shares and options are measured at the grant dates based on their fair value and in the case of options, using the number expected to vest. This amount is recognised as an expense evenly over the respective vesting periods.

The fair value of each option granted in prior years was estimated on the date of grant using standard option pricing techniques based on the Black-Scholes theory. The following key assumptions were adopted for grants made in the prior year:

- risk free interest rate 6.77 per cent (weighted average),
- expected life of options four years,
- volatility of share price 24 per cent, and
- dividend yield 3.47 per cent per annum

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****1 ACCOUNTING POLICIES (CONTINUED)****g) PERFORMANCE BASED REMUNERATION (CONTINUED)**

In the previous year, MGL established a new equity plan, MEREP Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs") have been granted in the current year in respect of 2010. The fair value of each of these grants is estimated using MGL's share price on the date of grant. Grants under MEREP for 2010 are valued based on the volume weighted average price from 10 May 2010 to 30 June 2010. The movement in the share price between the value date and grant date of 30 June 2010 has been recognised as a prepaid asset.

Where options and shares are issued by MGL to employees of the Company, and MGL is not subsequently reimbursed by the Company, the Company recognises the equity provided as a capital contribution from MGL. Where MGL is reimbursed, the Company recognises any amount it pays in advance (of the share-based payment to be recognised as an expense over the future vesting period) as a prepaid asset.

The Company annually revises its estimates of the number of shares (including those delivered through MEREP) and options that are expected to vest. Where appropriate, the impact of revised estimates is reflected in the profit and loss account over the remaining vesting period.

**h) TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided in equal monthly instalments on a straight-line basis over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

Furniture, fixtures and fittings	10 to 20 per cent
Computer equipment	33 to 50 per cent
Leasehold improvements*	20 per cent
Vehicles	20 to 33 per cent

\* Where remaining lease terms are less than five years, leasehold improvements are depreciated over the remaining lease term.

Useful lives and residual values are reviewed annually and reassessed in light of commercial and technological developments. If an asset's carrying value is greater than its recoverable amount due to an adjustment to its useful life, residual value or impairment, the carrying amount is written down immediately to its recoverable amount.

Adjustments arising from such items and on disposal of fixed assets are recognised in the profit and loss account.

**i) LEASES**

Lease transactions are either operating leases or finance leases, depending on the terms of the underlying lease agreement. The aggregate lease payments are recorded as obligations under finance leases, net of accrued interest. Accrued interest is amortised over the lease period using the effective interest rate method.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****1 ACCOUNTING POLICIES (CONTINUED)****j) IMPAIRMENT OF FINANCIAL ASSETS**

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') that occur after the initial recognition of the asset and that loss event, or events, has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**k) FOREIGN CURRENCIES**

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

Exchange differences arising from the translation of the Company's foreign branches, which have currencies of operation other than sterling, are taken to the foreign currency translation reserve.

**l) PROVISION FOR LIABILITIES AND CHARGES**

A provision is recognised where the Company has a present legal or constructive obligation to make a payment as a result of a past event where it is more probable than not that a transfer of economic benefit will be required to settle the obligation and the amount can be reliably estimated.

**2 SEGMENTAL REPORTING**

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

**3 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2011 £	2010 £
Interest receivable from other Macquarie Group undertakings	2,913,493	6,168,598
Interest receivable from unrelated parties	365,880	1,559,220
	<u>3,279,373</u>	<u>7,727,818</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2011 £	2010 £
Interest payable to other Macquarie Group undertakings	3,227,206	4,911,862
Interest payable to unrelated parties	10	348
	<u>3,227,216</u>	<u>4,912,210</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****5 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

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

	2011 £	2010 £
Foreign exchange losses/(gains)	381,169	(52,888)
Staff costs		
Wages and salaries	23,078,151	26,886,416
Social security costs	119,532	75,408
Other pension costs	36,107	45,276
Depreciation charges	106,939	370,223
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	57,086	63,015
Fees payable to the Company's auditors and associates for other services pursuant to legislation	15,081	231,215

**6 DIVIDENDS PAID**

	2011 £	2010 £
<b>Equity – Ordinary</b>		
Interim paid in September 2010	9,000,000	-
	<u>9,000,000</u>	<u>-</u>

**7 EMPLOYEE INFORMATION**

The average number of persons employed by the Company during the year calculated on a monthly basis was

	2011	Restated 2010
<b>By activity</b>		
Banking and Financial Services	4	3
Corporate Affairs Group	9	13
Fixed Income, Commodities and Currencies	5	13
Information Technology Group	3	4
Macquarie Capital	21	43
Macquarie Corporate & Asset Finance	4	7
Macquarie Funds Group	9	6
Macquarie Securities Group	36	38
Risk Management Group	2	1
	<u>93</u>	<u>128</u>

The figures above include persons employed by Macquarie International Limited and seconded to other legal entities within the Macquarie Group and associated entities

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****8 DIRECTORS' REMUNERATION**

During 2010 and 2011 all Directors were employed by, and received all emoluments from, other Macquarie Group undertakings. The Directors perform director duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation across all these duties would mean any amounts allocated to their director duties for the Company would be an immaterial nominal amount. Accordingly, no separate remuneration has been disclosed.

**9 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES****Analysis of tax charge for the year**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax at 28% (2010: 28%)	538,849	1,197,432
Adjustments to tax in respect of prior years	909,215	124,125
Foreign tax suffered	(47,897)	168,555
Foreign tax / double tax relief	-	(534,268)
Total current tax	<u>1,400,167</u>	<u>955,844</u>
Deferred tax		
Origination and reversal of timing differences	173,995	884,747
Adjustments to tax in respect of prior years	506,459	(161,306)
Total deferred tax	<u>680,454</u>	<u>723,441</u>
 Tax on profit/(loss) on ordinary activities	 <u>2,080,621</u>	 <u>1,679,285</u>

**Factors affecting tax charge for the year**

The current tax charge for the year ended 31 March 2011 is higher (2010: lower) than the standard rate of corporation tax in the United Kingdom of 28%. The differences are explained below.

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before taxation	1,217,759	4,876,707
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 28% (2010: 28%)	(340,973)	(1,365,478)
Effects of		
Expenses not deductible for tax purposes	(76,334)	(475,732)
Impairment of available for sale investment	(20,861)	(101,420)
Adjustments in respect of timing differences	(107,206)	745,198
Adjustments to tax in respect of prior years	(909,215)	(124,125)
Foreign tax suffered	-	(168,555)
Foreign tax / double tax relief	47,897	534,268
Capital allowances in excess of depreciation	6,525	-
	<u>(1,400,167)</u>	<u>(955,844)</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)**

**10 DEFERRED TAX ASSET**

	2011 £	2010 £
At 1 April	4,908,591	5,632,032
Timing differences		
Amount charged to profit and loss (note 9)	(173,995)	(884,747)
Adjustments to tax in respect of prior years	(506,459)	161,306
<b>Deferred tax asset recognised at 31 March</b>	<u>4,228,137</u>	<u>4,908,591</u>
The deferred tax asset comprises		
Timing difference in respect of fixed assets	107,523	197,645
Timing difference on profit share retentions and leave entitlements	2,887,665	3,002,586
Unrelieved foreign branch tax carried forward	1,232,949	1,708,360
<b>Deferred tax asset recognised at 31 March</b>	<u>4,228,137</u>	<u>4,908,591</u>

Finance Act (No 2) 2010 envisaged that the UK corporation tax rate be reduced from 28% to 27%, however subsequently Finance Bill 2011 included a provision to reduce the UK corporation tax rate from 27% to 26% effective from 1 April 2011 and this was substantively enacted on 29 March 2011. The Bill also included a further reduction in the UK corporation tax rate to 25% effective from 1 April 2012, however this was not substantively enacted until 5 July 2011. It is proposed that the UK corporation tax rate be reduced by one percentage point each year to 23% by 2014, however these changes have not yet been substantively enacted. Deferred tax has been calculated at 26%, the rate substantively enacted at the balance sheet date. However, had the rate of 25% been substantively enacted the year end deferred tax asset would have been £115,200 lower (i.e. £4,112,937) and had the rate of 23% been substantively enacted the year end deferred tax asset would have been £345,599 lower (i.e. £3,882,538).

**11 TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Office furniture, fixtures, fittings and computers £	Total £
<b>COST</b>			
At 1 April 2010	1,377,187	61,227	1,438,414
Foreign exchange movements	(82,946)	(3,118)	(86,064)
Additions	7,853	70,918	78,771
Disposals	(1,294,652)	(56,491)	(1,351,143)
At 31 March 2011	<u>7,442</u>	<u>72,536</u>	<u>79,978</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 1 April 2010	934,158	46,683	980,841
Foreign exchange movements	(23,098)	1,868	(21,230)
Charge for the year	43,552	63,387	106,939
Disposals	(953,324)	(58,080)	(1,011,404)
At 31 March 2011	<u>1,288</u>	<u>53,858</u>	<u>55,146</u>
<b>NET BOOK AMOUNT</b>			
31 March 2011	<u>6,154</u>	<u>18,678</u>	<u>24,832</u>
31 March 2010	<u>443,029</u>	<u>14,544</u>	<u>457,573</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)**

**12 AVAILABLE FOR SALE INVESTMENTS**

	2011 £	2010 £
At 1 April	2,045,402	2,565,362
Additions	41,457	64,927
Disposals	(27,860)	-
Foreign exchange movement	(113,181)	(175,414)
Fair value movement to reserves	-	(47,260)
Impairment	(74,506)	(362,213)
At 31 March	<u>1,871,312</u>	<u>2,045,402</u>

Available for sale investments comprise

	2011 £	2010 £
<b>Unlisted securities:</b>		
Global Star Korea Fund L P	<u>1,871,312</u>	<u>2,045,402</u>
	<u>1,871,312</u>	<u>2,045,402</u>

The Company has entered into a Limited Partnership Agreement with Global Star Korea Fund L P. As at 31 March 2011, the Company has contributed US\$4,869,338 (2010 US\$4,735,191). This represents an investment of 5.06% in Global Star Korea Fund L P. As at 31 March 2011 US\$111,044 (2010 US\$94,266) had been distributed to the Company. The investment was impaired by £74,506 during the year ending 31 March 2011 (2010 £362,213).

**13 DEBTORS**

	2011 £	2010 £
Amounts owed by other Macquarie Group undertakings	91,126,699	118,309,955
Deferred employee retentions	499,975	1,697,735
Rentals receivable	-	2,118,976
Fees receivable	1,455,610	1,827,453
Other debtors	460,259	1,863,846
Taxation	593,570	907,878
	<u>94,136,113</u>	<u>126,725,843</u>
<b>Provision against VAT receivable</b>		
Opening	-	4,186,108
Foreign exchange movement during the year	-	258,429
Reversal of provision	-	(4,444,537)
Closing	<u>-</u>	<u>-</u>

Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans to group undertakings at market rates and at 31 March 2011 the rate applied ranged between LIBOR plus 0.86% and LIBOR plus 2.30% (2010 between LIBOR plus 0.66% and LIBOR plus 2.35%).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)**

**14 CASH AT BANK**

	2011 £	2010 £
Cash held with banks	17,754,803	14,208,056
	<u>17,754,803</u>	<u>14,208,056</u>

**15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Amounts owed to other Macquarie Group undertakings	85,202,598	92,044,352
Taxation	688,731	131,711
Accrued expenses	1,510,570	2,125,082
Refundable rental deposit	-	1,531,619
Other creditors	705,827	439,701
4,500,000 (2010 4,500,000) Redeemable preference shares of £1 each	4,500,000	4,500,000
	<u>92,607,726</u>	<u>100,772,465</u>

Amounts owed to other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company incurs interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2011 the rate applied was LIBOR plus 2.30% (2010 LIBOR plus 1.79%).

The redeemable preference shares were issued to Macquarie Capital International Holdings Pty Limited for £4,500,000. The cumulative fixed preferential coupon on each redeemable preference share is 0%. The mandatory redemption date is 14 May 2013. The shares can be redeemed by the holder on 14 days notice and therefore are included as a creditor falling due within one year.

**16 PROVISIONS FOR LIABILITIES AND CHARGES**

<b>Employee Related Obligations</b>	2011 £	2010 £
At 1 April	22,389,179	35,059,255
Paid during the year	(16,893,537)	(27,429,723)
Charged to profit and loss	5,583,771	13,812,377
Charged to profit and loss – foreign exchange movement	(206,587)	947,270
At 31 March	<u>10,872,826</u>	<u>22,389,179</u>

Profit share charged to the profit and loss account during the financial year of £6,613,208 (2010 £11,479,420) relates to the year ended 31 March 2011 profit share period and was paid in May 2011.

<b>Maturity profile of bonus provision</b>	2011 £	2010 £
Within 1 year	7,896,612	14,059,679
Between 1 and 2 years	1,306,529	2,177,926
Between 2 and 10 years	1,669,685	6,151,574
	<u>10,872,826</u>	<u>22,389,179</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)**

**17 FINANCIAL RISK MANAGEMENT**

The Company was a wholly owned subsidiary within the Macquarie Group throughout the year and is included in the consolidated financial statements of Macquarie Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a financial risk management note under the terms of Financial Instruments Disclosures (FRS 29)

**18 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The carrying amount of financial assets and financial liabilities measured at amortised cost approximately equals their fair value

**19 CALLED UP SHARE CAPITAL**

	2011 £	2010 £
<b>AUTHORISED</b>		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>
<b>ALLOTTED AND FULLY PAID</b>		
2,500,000 (2010 2,500,000) ordinary shares of £1 each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>

**20 EQUITY CONTRIBUTIONS FROM ULTIMATE PARENT**

	2011 £	2010 £
At 1 April	9,327,721	7,035,468
Option expense for the financial year	266,022	1,591,928
RSUs issued in Korea	43,686	700,325
At 31 March	<u>9,637,429</u>	<u>9,327,721</u>

**21 EMPLOYEE SHARE COMPENSATION**

**Option Plan**

In November 1995, Macquarie Bank Limited ("MBL") introduced an Employee Share Option Plan, as a replacement for its now closed partly paid share scheme. On 13 November 2007, the date of the Macquarie Group Restructure, all MBL options were cancelled and replacement options over shares in the new ultimate parent entity, MGL, were issued on the same terms on a one-for-one basis under the Macquarie Group Employee Share Option Plan ("MGESOP"). MGL has suspended new offers under the MGESOP under the new remuneration arrangements which were the subject of shareholder approvals obtained at a General Meeting of MGL in December 2009. The last Grant of Options under the MGESOP was on 8 December 2009. Currently MGL does not expect to issue any further Options under the MGESOP.

Previously, the staff eligible to participate in the MGESOP were those of Associate Director level and above and consultants to the consolidated entity. At 31 March 2011 there were 55 (2010 61) participants of the MGESOP.

There have been no options granted in the current financial year. Options now on issue are all five year options over fully paid unissued ordinary shares in the Company and were granted to individuals or the individual's controlled Company or an entity approved under the MGESOP to hold options.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****21 EMPLOYEE SHARE COMPENSATION (CONTINUED)****Option Plan (continued)**

The options were issued for no consideration and were granted at prevailing market prices

The following is a summary of options which have been granted pursuant to the MGESOP

	Number of options 2011	Weighted average exercise price 2011 A\$	Number of options 2010	Weighted average exercise price 2010 A\$
Outstanding at the beginning of the financial year	1,182,590	60.57	2,006,357	58.67
Granted during the financial year	-	-	-	-
Forfeited during the financial year	(155,121)	55.41	(193,000)	63.17
Exercised during the financial year	-	-	(120,314)	33.53
Transfer during the financial year	38,361	63.38	(385,626)	59.08
Lapses during the financial year	(276,267)	62.31	(124,827)	56.65
Outstanding at the end of the financial year	789,563	61.12	1,182,590	60.57
Exercisable at the end of the financial year	471,719	63.01	406,180	64.98

For options exercised during the financial year the weighted average share price at the date of exercise was nil (2010 A\$42.59)

The range of exercise prices for options outstanding at the end of the financial year was A\$39.03 to A\$94.48 (2010 A\$47.79 to A\$87.77)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2011 was 1.59 years (2010 2.36 years). The weighted average remaining contractual life when analysed by exercise price range is

Exercise price range (A\$)	Number of options 2011	Remaining life (years) 2011	Number of options 2010	Remaining life (years) 2010
30 – 40	3,000	3.31	-	-
40 – 50	3,000	1.95	8,000	1.20
50 – 60	369,644	2.26	557,610	3.37
60 – 70	182,374	0.52	363,161	0.88
70 – 80	227,545	1.33	245,153	2.36
80 – 90	-	-	8,666	0.21
90 – 100	4,000	1.15	-	-
	789,563	1.59	1,182,590	2.36

There were no options issued in the current or prior financial year

No options were exercised during the current financial year. The market value of shares issued during the prior financial year as a result of the exercise of these options was A\$5,124,466

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****21 EMPLOYEE SHARE COMPENSATION (CONTINUED)****Option Plan (continued)**

The market value of shares which would be issued from the exercise of the outstanding options at 31 March 2011 was A\$28.9 million (2010 A\$55.9 million). No unissued shares, other than those referred to above, are under option under the MGESOP as at the date of this report.

The options are measured at their grant dates based on their fair value and the number expected to vest. This amount is recognised as an expense evenly over the respective vesting periods and the equity provided is treated as a capital contribution.

For the year ended 31 March 2011, compensation expense relating to the MGESOP totalled A\$416,429 (2010 A\$2,967,461).

Options granted vest as one third of each tranche after the second, third and fourth anniversaries of the date of allocation of the options. Subject to the MGESOP Rules and Macquarie Group's personal dealing policy, options can be exercised after the vesting period during an options exercise period up to expiry. In individual cases, such as where an employee leaves with the Company's agreement towards the end of a vesting period, the Company's Executive Committee has the power to waive the remainder of any vesting period and allow exercise of some or all of the relevant options.

For options granted to the members of MBL's and MGL's Executive Committee, Executive Voting Directors and other Executive Directors where the invitation to apply for the options was sent to the Executive on or after 30 June 2006, in respect of each tranche of vested options, options will only be exercisable if the Company's average annual return on ordinary equity for the three previous financial years is above the 65th (Executive Committee and Executive Voting Directors) and 50th (other Executive Directors) percentiles, of the corresponding figures for all companies in the then S&P/ASX 100 Index, with the conditions to be examined only upon vesting.

Fully paid ordinary shares issued on the exercise of options rank *pari passu* with all other fully paid ordinary shares then on issue.

Options carry no dividend or voting rights but have standard adjustment clauses for bonus and rights issues and reconstructions.

**Macquarie Group Employee Retained Equity Plan**

In December 2009 MGL shareholders approved the implementation of the Macquarie Group Employee Retained Equity Plan ("MEREP") in conjunction with new remuneration arrangements. These new arrangements included a decrease in the portion of staff profit share paid in cash and an increase in the portion delivered as equity, an increase in the proportion of deferred remuneration, and cessation of new option grants under the Macquarie Group Employee Share Option Plan. Participation in the MEREP is currently provided to the following staff ("Eligible Employees"):

- Executive Directors with retained DPS ("Director Profit Share") from 2009 onwards, a proportion of which was allocated in the form of MEREP awards (Retained DPS awards). See the Remuneration Report for more information on the allocation of DPS to Executive Directors,
- Executive Directors with pre-2009 retained DPS which they have elected to transition into the MEREP under the new remuneration arrangements ("Transition awards"),
- staff other than Executive Directors with retained profit share, which from 2009 is to be delivered in the form of MEREP awards under the new remuneration arrangements (Retained Profit Share awards),

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****21 EMPLOYEE SHARE COMPENSATION (CONTINUED)****Macquarie Group Employee Retained Equity Plan (continued)**

- staff who are promoted to Associate Director, Division Director or Executive Director, who receive a fixed allocation of MEREP awards (“Promotion awards”),
- new Macquarie Group staff who commence at Associate Director, Division Director or Executive Director level. Option grants to these staff have now been replaced with a fixed number of MEREP awards depending on level (“New Hire awards”), and
- in limited circumstances, Macquarie staff who may receive an equity grant instead of a remuneration or consideration payment in cash. Current examples include individuals who become employees of Macquarie on the acquisition of their employer by a Macquarie Group entity or who receive an additional award at the time of joining Macquarie (also referred to below as “New Hire awards”).

For Retained Profit Share Awards representing 2010 retention, the conversion price was the volume weighted average price from 10 May 2010 up to and including the date of allocation which was taken to be 30 June 2010. That price was calculated to be A\$43.48 (2009: A\$36.36).

The number of awards granted was calculated by adjusting the employee’s relevant retained profit share amount, or retained DPS, for any applicable on-costs, dividing this amount by the applicable price outlined above, and rounding down to the nearest whole number. The grant of awards to Eligible Employees working in Australia is subject to payroll tax, calculated based on the market value of Shares on the Acquisition Date.

For most New Hire and Promotion awards, a standard number of awards was offered, depending on the level at which the employee was hired at or promoted to. In limited cases, there are variations to these fixed amounts for specific individuals.

**Award types under the MEREP****Restricted Share Units (RSUs)**

An RSU is a beneficial interest in a Macquarie share held on behalf of a MEREP participant by the plan trustee (“Trustee”). The participant is entitled to receive dividends on the share and direct the Trustee how to exercise voting rights in the share. The participant also has the right to request the release of the share from the Trust, subject to the vesting and forfeiture provisions of the MEREP.

The following is a summary of these awards which have been granted pursuant to the MEREP:

	Number of RSU awards 2011	Number of RSU awards 2010
RSUs on issue at the beginning of the financial year	135,029	-
Granted during the financial year	115,108	135,697
Transfer during the financial year	(21,882)	(668)
Vested RSU awards withdrawn during the financial year	(2,097)	-
Forfeited during the financial year	(11,115)	-
RSUs on issue at the end of the financial year	215,043	135,029
RSUs vested and not withdrawn at the end of the financial year	13,930	-

The weighted average fair value of the RSU awards granted during the financial year was A\$43.15 (2010: A\$46.35).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****21 EMPLOYEE SHARE COMPENSATION (CONTINUED)****Award types under the MEREP (continued)****Deferred Share Units (DSUs)**

A DSU is a right to receive on exercise of the DSU either a share held in the Trust or a newly issued share (as determined by Macquarie in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised. Macquarie may issue shares to the Trustee or procure the Trustee to acquire shares on-market for potential future allocations to holders of DSUs. Generally DSUs will provide for cash payments in lieu of dividends paid on Macquarie shares before the DSU is exercised. Further, the number of shares underlying a DSU will be adjusted upon any bonus issue or other capital reconstruction of Macquarie in accordance with the ASX Listing Rules, so that the holder of a DSU does not receive a benefit that holders generally of Macquarie shares do not receive. These provisions are intended to provide the holders of DSUs, as far as possible, with the same benefits and risks as are provided to holders of RSUs. However, holders of DSUs will have no voting rights as to any underlying Macquarie shares. DSUs will only be offered in jurisdictions where legal or tax rules make the grant of RSUs impractical.

The following is a summary of these awards which have been granted pursuant to the MEREP

	<b>Number of DSU awards</b>	<b>Number of DSU awards</b>
	<b>2011</b>	<b>2010</b>
DSUs on issue at the beginning of the financial year	<b>21,908</b>	-
Granted during the financial year	<b>11,695</b>	23,636
Transfer during the financial year	<b>988</b>	(788)
Exercised during the financial year	<b>(1,971)</b>	-
Forfeited during the financial year	-	(940)
<b>DSUs on issue at the end of the financial year</b>	<b>32,620</b>	<b>21,908</b>
<b>DSUs exercisable at the end of the financial year</b>	-	-

The weighted average fair value of the DSU awards granted during the financial year was A\$43.18 (2010 A\$46.35)

The awards are measured at their grant dates based on their fair value. This amount is recognised as an expense evenly over the respective vesting periods and the equity provided is treated as a capital contribution.

For the year ended 31 March 2011, compensation expense relating to the MEREP totalled A\$4,672,098 (2010 A\$2,336,560)



**MACQUARIE INTERNATIONAL LIMITED****COMPANY NUMBER 01802574****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****22 OTHER RESERVES**

	2011 £	2010 £
<b>Foreign currency translation reserve</b>		
Opening balance	1,282,612	(110,889)
Foreign currency translation gain/(loss)	(1,096,022)	1,393,501
Closing foreign currency translation reserve	186,590	1,282,612
<b>Available for sale reserve</b>		
Opening balance	-	222,675
Fair value loss	-	(584,888)
Impairment	-	362,213
Closing available for sale reserve	-	-
	<u>186,590</u>	<u>1,282,612</u>

Exchange differences arising from the translation the Company's foreign branches, which have currencies of operation other than sterling, are taken to the foreign currency translation reserve

**23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2011 £	2010 £
Opening shareholders' funds	25,183,821	18,523,320
Capital contribution from ultimate parent entity	309,708	2,292,253
Movements in other reserves	(1,096,022)	1,170,826
Retained profit/(loss) for the year	(862,862)	3,197,422
Dividends	(9,000,000)	-
Closing shareholders' funds	<u>14,534,645</u>	<u>25,183,821</u>

**24 FINANCIAL COMMITMENTS**

The Company had previously entered into lease agreements for office space and vehicles which are accounted for as operating leases. At 31 March 2011 there were no outstanding commitments

	2011 £	2010 £
Within 1 year	-	679,160
	<u>-</u>	<u>679,160</u>

**25 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking of the Company is Macquarie Capital International Holdings Pty Limited

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
(CONTINUED)****26 RELATED PARTY TRANSACTIONS**

As 100% of the voting rights of the Company are controlled within the group headed by Macquarie Group Limited, incorporated in Australia, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Macquarie Group. The consolidated financial statements of Macquarie Group Limited, within which the Company is included, can be obtained from the address given in Note 25.

**27 CASH FLOW STATEMENT**

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

**28 POST BALANCE SHEET DATE EVENTS**

On 17 August 2011 and 21 February 2012 the Company invested a further US\$36,395 and US\$37,639 respectively in Global Star Korea Fund L P.

On 3 November 2011 the Company purchased 100% of the ordinary shares at par value in Capitco Investments SL for a total consideration of €3,000 (3,000 ordinary shares of €1). Capitco Investments SL is incorporated in Spain, which was acquired to act in a bid for a Spanish Public Private Partnership ("PPP") Infrastructure Programme.

On 21 December 2011 the Company purchased 100% of the ordinary shares of Dextertown S L, a company incorporated in Spain, from Macquarie Asset Finance Limited ("MAFL"). Dextertown S L was acquired to act in a bid for a Spanish PPP Infrastructure Programme. The purchase price paid by MIL was €2,025, the market value and net asset value of the company at the date of transfer.

On 21 December 2011 the Company purchased 100% of the ordinary shares in Ganeta Investments S L ("Ganeta"), a company incorporated in Spain, from MAFL. Ganeta was acquired to act in a bid for a Spanish PPP Infrastructure Programme. The purchase price paid by MIL was €512,000, the market value as at the date of transfer. Subsequently, its market value has fallen as it was unsuccessful in its bid, so the Company's investment in Ganeta has been impaired by €511,075 to its net asset value of €925.