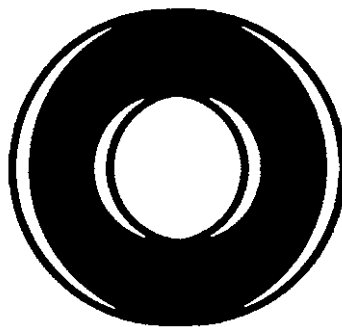


Company Registration Number : 2579363

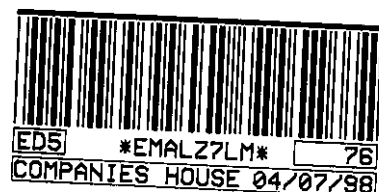
**MACQUARIE CORPORATE FINANCE (UK)**  
**LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**  
**31 MARCH 1998**



**MACQUARIE**



**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1998**

<b>CONTENTS</b>	<b>PAGE</b>
General information	1
Directors' report	2-3
Auditors' report	4
Balance sheet	5
Notes to the accounts	6-7

**MACQUARIE CORPORATE FINANCE (UK) LIMITED**

---

**GENERAL INFORMATION****Directors**

J R Caldon  
G A Farrell  
P Kirk

**Secretaries**

T Gilliland  
Macquarie Bank Group

**Registered Office**

9th Floor  
Alban Gate  
125 London Wall  
London EC2Y 5AS

**Auditors**

Price Waterhouse  
Southwark Towers  
32 London Bridge Street  
London SE1 9SY

**Bankers**

Midland Bank Plc  
PO Box 181  
27-32 Poultry  
London EC2P 2BX

**Solicitors**

Slaughter & May  
35 Basinghall Street  
London EC2V 5DB

**Company number:** 2579363

**MACQUARIE CORPORATE FINANCE (UK) LIMITED**

---

**DIRECTORS' REPORT**

The directors present the report and accounts for the Company for the year ended 31 March 1998. The directors have not included a profit and loss account for the year as the Company has not traded in its previous two accounting periods.

**REVIEW OF THE BUSINESS**

The Company operates the business of entering into structured finance transactions. The Company intends to continue these activities for the foreseeable future.

**RESULTS AND DIVIDENDS**

The Company's profit for the year amounts to £ Nil (1997 - Nil). No dividend is proposed.

**DIRECTORS AND THEIR INTERESTS**

The directors holding office during the year were as follows:

J R Caldon  
G A Farrell  
P Kirk

None of the directors had an interest in any material contract with the Company during the year. None of the directors held interests in shares of the company during the year.

**CLOSE COMPANY STATUS**

So far as the directors are aware, the Company is not a close company for taxation purposes.

**AUDITORS**

Price Waterhouse have indicated their willingness to continue in office. At the Annual General Meeting held in October 1992, the Company dispensed with the obligation to appoint auditors annually as is their right under S386 Companies Act 1985.

**ANNUAL GENERAL MEETING**

The Company has dispensed with the obligation to hold an Annual General Meeting, as permitted under s.366A Companies Act 1985.

**MACQUARIE CORPORATE FINANCE (UK) LIMITED**

---

**DIRECTORS' REPORT Continued****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors 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 and loss account of the company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 1985. 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.

Approved by the board of Directors  
and signed on behalf of the Board



G A Farrell  
Director  
23 June 1998

**MACQUARIE CORPORATE FINANCE (UK) LIMITED**

---

**AUDITORS' REPORT TO THE MEMBERS OF  
MACQUARIE CORPORATE FINANCE (UK) LIMITED**

We have audited the financial statements on pages 5 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 1998 and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse  
Chartered Accountants  
and Registered Auditors  
32 London Bridge Street  
London SE1 9SY

# MACQUARIE CORPORATE FINANCE (UK) LIMITED

## BALANCE SHEET AS AT 31 MARCH 1998

	Notes	1998 £	1997 £
<b>CURRENT ASSETS</b>			
Cash at bank and in hand	5	18,744	18,744
<b>NET CURRENT ASSETS AND TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>18,744</u>	<u>18,744</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	100	100
Profit and loss account		<u>18,644</u>	<u>18,644</u>
<b>SHAREHOLDERS' FUNDS</b>	7	<u>18,744</u>	<u>18,744</u>

The notes on pages 6 to 7 form part of these accounts.

These financial statements were approved by the Board of Directors on 23 June 1998.



P Kirk  
Director

# MACQUARIE CORPORATE FINANCE (UK) LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular policies adopted are described below.

#### a) ACCOUNTING CONVENTION

The accounts are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

#### b) CASH FLOW STATEMENT

The Company, which is a wholly owned subsidiary, has elected to utilise the exemption provided in Financial Reporting Standard 1 and does not produce a Cash Flow Statement.

### 2. REVENUE

The Company's principal trading activity was the provision of project and structured finance services.

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration for the year ended 31 March 1998 is borne by Macquarie Bank Limited, this Company's parent undertaking. The Company did not employ any staff during the year.

### 4. DIRECTORS' REMUNERATION

All directors of the company are employed by other members of the Macquarie Bank Group and it is considered that an insignificant amount of their time relates to Macquarie Corporate Finance (UK) Limited.

### 5. CASH AT BANK AND IN HAND

	1998 £	1997 £
Cash at Bank	<u>18,744</u>	<u>18,744</u>

### 6. CALLED-UP SHARE CAPITAL

	1998 £	1997 £
<b>AUTHORISED</b>		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

**MACQUARIE CORPORATE FINANCE (UK) LIMITED**

---

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998 (Continued)****7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Shareholders' funds have not moved for the past 2 years.

**8. PARENT COMPANIES**

The parent company of Macquarie Corporate Finance (UK) Limited, and the parent company of the largest group to consolidate these financial statements, is Macquarie Bank Limited, an Australian incorporated company. Copies of group accounts for Macquarie Bank Limited can be obtained from the Company Secretary, PO Box H68, Australia Square, New South Wales, 2000.

**9. CONTINGENT LIABILITIES**

Macquarie Corporate Finance (UK) Limited entered into two transactions during the year ending 31 March 1995 which, upon certain eventualities, may require the payment of up to CAD 5,000,000, being a maximum compensation payment to the other parties. These eventualities include:

- Insolvency of certain parties to the transaction;
- Changes to relevant tax legislation;
- Legality of the transaction;
- Lessor not receiving valid title.

The Directors, having taken legal advice, consider the likelihood of these events occurring to be remote.