

MACQUARIE UK HOLDINGS LIMITED

COMPANY NUMBER 02579363

Directors' Report and Financial Statements
for the financial year ended 31 March 2012



The Company's registered office is
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28 Ropemaker Street
London EC2Y 9HD

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Macquarie UK Holdings Limited

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Macquarie UK Holdings Limited

Directors' Report for the financial year ended 31 March 2012

In accordance with a resolution of the Directors ('the Directors') of Macquarie UK Holdings Limited ('the Company'), the Directors submit herewith the financial statements of the Company and report as follows

Directors and Secretaries

The Directors who held office as a Director of the Company throughout the year and until the date of this report, unless disclosed otherwise, were

A Lewis

R Tallentire

The Secretaries who held office as a Secretary of the Company throughout the year and until the date of this report, unless disclosed otherwise, were

E Doornenbal

J Greenfield

Principal activities

The principal activities of the Company during the financial year ended 31 March 2012 were the holding of international investments

- The Company holds an investment in Macquarie Korea Infrastructure Fund, a listed Korean infrastructure fund, managed by Macquarie Shinhan Infrastructure Asset Management Co Ltd
- The Company holds an investment in Macquarie Korea Opportunities Fund, a Korean private infrastructure fund, established to invest in Korean companies and assets
- The Company also established a joint venture with the name Media and communication Partners Limited, an asset management company, incorporated in England and Wales
- The Company also has a joint venture interest with Macquarie Storage Europe Limited, a company engaged in investment in storage facilities, incorporated in England and Wales. The company was dissolved on 1 May 2012
- The Company owns Macquarie Capital (Korea) Ltd (formerly Macquarie Capital Advisers Korea Co Ltd), a Korean Company engaged in infrastructure management, asset based financing, project finance advisory and other related business in Korea
- The Company also acts as a holding Company for various subsidiaries, including Goonzaran Bluebell Leasing Limited, MEIF (UK) Limited and SICURAnt InvestCo GP Limited

Results

The profit after income tax attributable to ordinary equity holders for the financial year ended 31 March 2012 was £1,362,862 (2011 £2,051,709)

Dividends paid or provided for

Dividends of £1,000,000 (2011 £1,600,000) were paid during the financial year

Macquarie UK Holdings Limited

Directors' Report (continued) for the financial year ended 31 March 2012

State of affairs

Redeemable preference shares issued by the Company have matured and redemption date has been extended to 30 December 2012

There were no other significant changes in the state of the affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report

Review of operations

The profit attributable to ordinary equity holders of the Company for the year ended 31 March 2012 was £1,362,862, a decrease of 33 per cent from £2,051,709 in the previous year

Operating profit for the year ended 31 March 2012 was £2,095,313, a decrease of 28 per cent on the prior year

Net operating expenses for the year ended 31 March 2012 were £2,282,060, 116 per cent increase on the prior year

Events after the Reporting Period

Macquarie Storage Europe Limited, with which the Company had a joint venture interest, was dissolved on 1 May 2012

Redeemable preference shares issued by the Company due for redemption on 30 December 2012 have been further extended to 28 February 2013. The Company is currently in the process of finalising a capital contribution from its parent in order to procure funds for redemption of the preference shares

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 2012 not otherwise disclosed in this report

Likely developments, business strategies and prospects

Disclosure of information relating to developments in the operations, business strategies and prospects for future financial years of the Company have not been included in the report because the Directors believe it may result in unreasonable prejudice to the Company

Creditor 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

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 18

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

Macquarie UK Holdings Limited

Directors' Report (continued) for the financial year ended 31 March 2012

Financial risk management

Risk is an integral part of the Macquarie Group's businesses. The Company is exposed to a variety of financial risks that include the effects of credit risk, liquidity risk, operational risk and market risk. Additional risks faced by the Company include 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.

As ultimately an indirect subsidiary of Macquarie Group Limited ("MGL"), the Company manages risk within the framework of the overall strategy and risk management structure of the Macquarie Group. RMG is independent of all other areas of the Macquarie Group, reporting directly to the Managing Director and the Board of 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.

Market risk

The Company is exposed to market risk through its facilitation. 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

Interest bearing assets include 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 receivable from and payable to other Macquarie Group undertakings and external parties which are denominated in non-functional currencies. Any material non-functional currency exposures are managed by applying a group wide process of minimising exposure at an individual Company level.

Macquarie UK Holdings Limited

Directors' Report (continued) for the financial year ended 31 March 2012

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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.

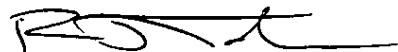
So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps necessary in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Independent 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

17 December 2012

Independent Auditors' Report to the members of Macquarie UK Holdings Limited

We have audited the financial statements of Macquarie UK Holdings Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, 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 5 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 2012 and of its profit 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
- 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

Macquarie UK Holdings Limited

Financial Statements

Profit and loss account

for the financial year ended 31 March 2012

	Notes	2012 £	2011 £
Turnover		4,377,373	3,962,312
Administrative expenses		(1,548,340)	(1,187,505)
Other operating (expenses)/income		(733,720)	132,494
Operating profit		2,095,313	2,907,301
Interest receivable and similar income	3	1,623,337	1,274,475
Interest payable and similar charges	4	(2,497,615)	(2,150,054)
Impairment of fixed asset investment		-	(5,700)
Gain on sale of fixed asset investments		-	190,018
Profit on ordinary activities before taxation	2	1,221,035	2,216,040
Tax on profit on ordinary activities	5	141,827	(164,331)
Profit for the financial year	11	1,362,862	2,051,709

Turnover and profit on ordinary activities before taxation relate wholly to continuing operations

There are no material differences between the profit on ordinary activities before taxation for the years stated above and their historical cost equivalent

The Company has not recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

The above profit and loss account should be read in conjunction with the accompanying notes on pages 9 to 15


Macquarie UK Holdings Limited

Balance sheet as at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	7	60,669,996	66,176,531
Current assets			
Debtors	8	30,143,948	27,851,867
Current liabilities			
Creditors amounts falling due within one year	9	(82,562,730)	(86,140,046)
Net current assets		(52,418,782)	(58,288,179)
Total assets less current liabilities		8,251,214	7,888,352
Capital and reserves			
Called up share capital	10	100	100
Redeemable preference shares	10	6,423,921	6,423,921
Foreign currency translation reserve	11	508,563	508,563
Profit and loss account	11	1,318,630	955,768
Total shareholders' funds	12	8,251,214	7,888,352

The above balance sheet should be read in conjunction with the accompanying notes on pages 9 to 15

The financial statements on pages 7 to 15 were approved by the board of directors on 12 December 2012 and were signed on its behalf by


Robert Tallentire
Director

Macquarie UK Holdings Limited

Notes to the financial statements for the financial year ended 31 March 2012

Note 1. Summary of significant accounting policies

i) Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The principal accounting policies adopted in the preparation of this financial report and that of the previous financial year are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as a parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its ultimate parent Macquarie Group Limited, a company incorporated in Australia.

New Accounting Standards and amendments to Accounting Standards and Interpretations that are effective in the current year

Improvements to Financial Reporting Standards 2010 was issued in November 2010 and is effective for annual reporting periods beginning on or after 1 January 2011. It makes amendments to various disclosures relating to *FRS 29 Financial Instruments Disclosures*, *FRS 8 Related Party Disclosures* and *SSAP 25 Segment Reporting*. The Company first applied the standard in the financial year beginning 1 April 2011. The application of these amendments in the current year has had an immaterial impact.

ii) Foreign currency translations

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 the local currency 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.

Under SSAP 20 Foreign Currency Translation, fixed asset investments denominated in currencies other than Sterling which are financed by foreign borrowings, are translated to Sterling using the rate of exchange ruling at the balance sheet date. The gains or losses on translation of the investment are taken to reserves together with the gains and losses on translation of the foreign borrowing.

iii) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

Interest income

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.

iv) Turnover

Turnover for the year comprises dividend income received from fixed asset investments.

Dividends

Interim dividends from UK companies are recognised when the dividend proceeds are received by the Company. Final dividends from investments in UK companies and dividends from investments in overseas companies are recognised when the Company becomes entitled to the dividend.

v) Corporation Tax

Taxation is based on the 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.

Macquarie UK Holdings Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2012

Note 1. Summary of significant accounting policies (continued)

vi) Derivative instruments

Derivative financial instruments entered into by the Company include forwards and currency swaps. The Company uses these derivative financial instruments for economic hedging purposes.

These are accounted for on an accrual basis, based on the current spot FX rate against forward rate set at inception or swap rate set at each rate set date. Interest payments on cross currency swaps are accounted for as interest in the profit and loss account.

The Company's position on derivative financial instruments is shown net by counterparty on the balance sheet.

vii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loan assets are subject to regular review and assessment for possible impairment.

viii) Investments

Investments, including investments in subsidiary undertakings, are recorded at cost less provision for impairment. Where the directors are of the opinion that there has been a permanent diminution in the value of investments, the carrying amounts of such investments are written down to their recoverable amount. The impairment of fixed asset investments is recognised as an expense in the profit and loss account.

Under SSAP 20 Foreign Currency Translation, fixed asset investments denominated in currencies other than sterling, are translated to sterling using the rate of exchange ruling at the balance sheet date. The gains or losses on translation of the investment are taken to reserves together with the gains or losses on translation of the foreign borrowing or forward exchange contract.

ix) Impairment of financial assets

The Company assesses at each balancesheet 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.

x) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported on the balance sheet 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 financial asset and settle the financial liability simultaneously.

xi) Cash at bank and in hand

The Company has no cash balances. Cash transactions are paid and received via other Macquarie Group entities, on behalf of the Company.

xii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has also issued Class A redeemable preference shares at a par value of KRW 1,000,000 each, which are accounted for as compound financial instruments separated into financial liability and equity components on initial recognition. The liability component is initially recognised at fair value within creditors and the difference between the consideration received and the liability component is assigned to equity.

In subsequent periods the liability component of the preference shares will be recognised on an amortised cost basis until maturity. The unwinding of the discount on the liability component is recognised in the profit and loss account as interest using the effective yield basis. The equity component is determined on issue and is not changed in subsequent periods.

Macquarie UK Holdings Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2012

	2012 £	2011 £
Note 2 Profit on ordinary activities before taxation		
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Foreign exchange losses/(gains)	733,720	(132,494)
Joint Venture staff costs	1,287,274	1,011,000
Legal fees	-	126,349
Other Administration expenses	92,312	40,156
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	10,450	10,000

The Company had no employees during the year (2011 nil)

Note 3 Interest receivable and similar income		
Interest receivable from other Macquarie Group undertakings	1,623,337	1,274,475
Total interest receivable and similar income	1,623,337	1,274,475

Note 4. Interest payable and similar charges		
Interest payable to other Macquarie Group undertakings	2,497,615	2,150,054
Total interest payable and similar expenses	2,497,615	2,150,054

Note 5. Tax on profit on ordinary activities		
Analysis of tax charge/(credit) for the year		
Current tax		
UK corporation tax at 26% (2011 28%)	(821,090)	(468,744)
Adjustments to tax in respect of prior years	22,644	35,614
Foreign tax suffered	656,619	597,458
Current tax	(141,827)	164,328

Factors affecting tax credit/debit for the year

The taxation for the year ended 31 March 2012 is higher (2011 lower) than the standard rate of corporation tax in the United Kingdom of 26% (2011 28%) The differences are explained below

Profit on ordinary activities before taxation	1,221,035	2,216,040
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 26% (2011 28%)	(317,469)	(620,491)
Effects of		
Adjustment to tax charge in respect of previous periods	(22,644)	(35,614)
Impairment write down	-	(1,596)
Interest on RPS not deductible	-	(64,492)
Gain on disposal		73,771
Non deductible expenses	-	(35,378)
Foreign tax incurred	(656,619)	(597,458)
Foreign tax credit during the year not utilised	-	7,483
Non assessable income	1,138,560	1,109,447
	141,827	(164,328)

The UK government reduced the main rate of corporation tax by two percentage points, from 26% to 24%, from 1 April 2012. It is proposed that the UK corporation tax rate be reduced to 21% by 2014, however this has not been substantively enacted

Macquarie UK Holdings Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2012

	2012 £	2011 £
Note 6 Dividends paid		
Interim dividend paid	1,000,000	1,600,000
Total dividends paid	1,000,000	1,600,000

Note 7 Fixed asset investments		
Investments at cost	60,962,895	66,469,430
Less provisions for impairment	(292,899)	(292,899)
Total investments	60,669,996	66,176,531

Non-controlled investments

Name of investment	Nature of business	Country of incorporation	% ownership	2012 £	2011 £
Macquarie Korea Infrastructure Fund	Infrastructure investment	Republic of Korea	3.76	31,783,074	32,648,269
Macquarie Korea Opportunities Fund	Infrastructure investment	Republic of Korea	5.76	28,873,922	33,511,805
Macquarie Storage Europe Limited ¹	Investment in storage facilities	United Kingdom	50	6	3,463
Media and communication Partners Limited	Asset Management Joint Venture	United Kingdom	50	5	5
				60,657,007	66,163,542

¹ The Company was dissolved on 1 May 2012

Controlled investments:

Name of investment	Nature of business	Country of incorporation	% ownership	2012 £	2011 £
Goonzaran Bluebell Leasing Limited	Leasing	United Kingdom	100	3,488	3,488
MEIF (UK) Limited	Holding company	United Kingdom	100	8,500	8,500
Macquarie Capital (UK) Limited ¹	Dormant	United Kingdom	100	1	1
SiCURAnt InvestCo GP Limited	Holding company	United Kingdom	100	1,000	1,000
Macquarie Capital Korea Ltd Advisory Fund (formerly Macquarie Capital Advisers Korea Co. Ltd.)		Republic of Korea	100	-	-
				12,989	12,989

¹ The Company was dissolved on 31 January 2012

Macquarie UK Holdings Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2012

	2012 £	2011 £
Note 8. Debtors		
Amounts owed from other Macquarie Group undertakings	29,072,444	27,114,998
Other debtors	411,674	294,850
Taxation	659,830	442,019
Total debtors	30,143,948	27,851,867

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 2012 the rate applied ranged between LIBOR plus 1.52% and LIBOR plus 3.02% (2011 between LIBOR plus 1.34% and LIBOR plus 2.30%).

Note 9. Creditors: Amounts falling due within one year

Trade creditors	16,942	185,399
Amount due to other entities in the Macquarie Group	47,414,010	49,888,979
Class A redeemable preference shares	35,131,778	36,085,668
Total creditors	82,562,730	86,140,046

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 2012 the rate applied was LIBOR plus 3.02% (2011 LIBOR plus 2.30%).

Redeemable preference shares denominated in Korean Won carry a variable preferential dividend as declared by the directors of the Company from time to time. The shares are redeemable at a date no later than five years from the issue of the shares subject to the provisions of the Company's Articles of Association. These have been classified as current as they have matured and the redemption date has been extended to 30 December 2012. On winding up, the holders have priority before all other classes of shares to receive repayment of capital plus any arrears of dividends. The holders have no voting rights.

Note 10 Called up share capital

	2012 Number of shares	2011 Number of shares	2012 £	2011 £
Called up share capital				
Opening balance of fully paid ordinary shares	100	100	100	100
Opening balance of Class A redeemable shares at £100.01 each	63,600	63,600	6,423,921	6,423,921
Closing balance of shares	63,700	63,700	6,424,021	6,424,021
Authorised				
Opening balance of fully paid ordinary shares	100	100	100	100
Opening balance of Class A redeemable shares at £101.01 each	63,600	63,600	6,423,921	6,423,921
Closing balance of shares	63,700	63,700	6,424,021	6,424,021

The Class A redeemable preference shares were issued at a par value of KRW 1,000,000 each, which are accounted for as compound financial instruments separated into financial liability and equity components on initial recognition. The liability component is initially recognised at fair value within creditors and the difference between the consideration received and the liability component is assigned to equity.

In subsequent periods the liability component of the preference shares will be recognised on an amortised cost basis until maturity. The unwinding of the discount on the liability component is recognised in the profit and loss account as interest using the effective yield basis. The equity component is determined on issue and is not changed in subsequent periods.

Macquarie UK Holdings Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2012

Note 11 Reserves and profit and loss account

	2012 £	2011 £
Foreign currency translation reserve		
Balance at the beginning of the financial year	508,563	508,563
Balance at the end of the financial year	508,563	508,563

Exchange differences arising from the translation of the Company's fixed asset investments denominated in currencies other than sterling, and which are financed by foreign borrowings or hedged by forward exchange contracts, are translated to sterling using the rate of exchange ruling at the balance sheet date. The gains or losses on translation of the investment are taken to reserves together with the gains or losses on translation of the foreign borrowing or forward exchange contract.

Profit and loss account

Balance at the beginning of the financial year	955,768	504,059
Profit attributable to ordinary equity holders of Macquarie UK Holdings Limited	1,362,862	2,051,709
Distributions paid or provided	(1,000,000)	(1,600,000)
Total profit and loss account	1,318,630	955,768

Note 12. Reconciliation of movements in shareholders' funds

Balance at the beginning of the financial year	7,888,352	7,436,643
Capital contribution from parent	1,362,862	2,051,709
Dividend	(1,000,000)	(1,600,000)
Balance at the end of the financial year	8,251,214	7,888,352

Note 13 Related party information

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 18.

Other related party transactions for the year ended 31 March 2012 relating to the Company's associates and joint ventures outside the group have been disclosed in the table below.

31 March 2012

Related party	Relationship	Dividends received	Staff cost paid	Receivable at 31 March 2012
Macquarie Korea Infrastructure Fund (MKIF)	Associate	2,342,990	-	-
Macquarie Korea Opportunities Fund (MKOF)	Associate	2,034,383	-	-
Macquarie Storage Europe Limited	Associate	-	-	-
Media and communication Partners Limited	Joint Venture	-	1,287,274	-

31 March 2011

Related party	Relationship	Dividends received	Staff cost paid	Receivable at 31 March 2011
Macquarie Korea Infrastructure Fund (MKIF)	Associate	2,369,772	-	-
Macquarie Korea Opportunities Fund (MKOF)	Associate	1,374,139	-	-
Macquarie Storage Europe Limited	Associate	-	-	-
Media and communication Partners Limited	Joint Venture	-	1,011,000	-

Macquarie UK Holdings Limited

Notes to the financial statements (continued) for the financial year ended 31 March 2012

Note 14. Directors' remuneration

During 2012 and 2011, all Directors were employed by, and received all emoluments from, other Macquarie Group undertakings. The Directors perform directors' 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 duties for the Company would be an immaterial nominal amount. Accordingly, no separate remuneration has been disclosed.

Note 15. Contingent liabilities and assets

The Company has no commitments or contingent assets/liabilities which are individually material or a category of commitments or contingent liabilities which are material.

Note 16. 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.

Note 17. 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 1998).

Note 18. 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, is Macquarie Group Limited. The largest group to consolidate these financial statements, is Macquarie Group Limited, a company incorporated in Australia. The smallest group to consolidate these financial statements, is Macquarie Financial Holdings Limited, a company incorporated in Australia. Copies of the consolidated financial statements for Macquarie Group Limited and Macquarie Financial Holdings Limited can be obtained from the Company Secretary, Level 7, No. 1 Martin Place, Sydney, New South Wales, 2000, Australia.

Note 19. Events after the Reporting Period

Macquarie Storage Europe Limited, with which the Company had a joint venture interest, was dissolved on 1 May 2012.

Redeemable preference shares issued by the Company due for redemption on 30 December 2012 have been further extended to 28 February 2013. The Company is currently in the process of finalising a capital contribution from its parent in order to procure funds for redemption of the preference shares.

There were no other material events subsequent to 31 March 2012 that have not been reflected in the financial statements.