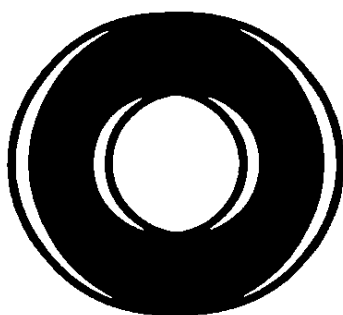


Company Registration Number: 02579363

MACQUARIE UK HOLDINGS LIMITED

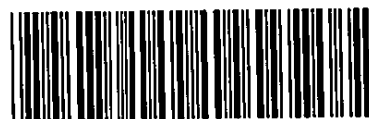
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2010**



MACQUARIE

THURSDAY



LD3 "LMJ9JLBE" 51
01/07/2010
COMPANIES HOUSE

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

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GENERAL INFORMATION**Directors**

P Kirk
1 Learmonth (resigned 30 June 2010)
R Tallentire

Secretaries

J Greenfield
D Tan

Registered office

Level 30
CityPoint
1 Ropemaker Street
London, United Kingdom
EC2Y 9HD

Chartered Accountants and Statutory Auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

Company number 02579363

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for Macquarie UK Holdings Limited ("the Company") for the year ended 31 March 2010

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year ended 31 March 2010 were the holding of international investments

- The Company is a participant in a joint venture with a Korean counterparty. The joint venture, Shinhan Macquarie Financial Advisory Co Ltd, is incorporated in Korea and engages in infrastructure management, asset based financing, project finance advisory and other related business in Korea
- 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 Korean assets
- The Company also acts as a holding company for various subsidiaries, including Global Asset Transformation Services Limited (dissolved on 8 June 2010), Macquarie Capital Limited (dissolved on 25 May 2010), Macquarie Capital (UK) Limited, Goonzaran Bluebell Leasing Limited, Macquarie Storage Europe Limited, SiCURAnt InvestCo GP Limited, and MEIF (UK) Limited

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 3 February 2010, the Company received a repayment of share capital in Global Asset Transformation Services Limited of €1,450,746 (£1,272,430)

On 10 February 2010, the Company purchased 15,001 ordinary shares in Macquarie Storage Europe Limited from Macquarie Real Estate Europe Limited for consideration of £3,463

On 19 February 2010, the Company established a subsidiary in England & Wales with the name SiCURAnt InvestCo GP Limited, in which it subscribed for 1,000 ordinary shares of £1 each

On 26 February 2010, the Company transferred its two fully paid ordinary shares of £1 each held in Macquarie Real Estate Europe Limited to Charter Hall Holdings Pty Limited for consideration of A\$3,710,000 (£2,264,687)

The Company does not envisage any changes in activities for the foreseeable future except those outlined in post balance sheet date events

POST BALANCE SHEET DATE EVENTS

On 25 May 2010, Macquarie Capital Limited, previously a controlled entity owned by the Company, was dissolved

On 8 June 2010, Global Asset Transformation Services Limited, previously a controlled entity owned by the Company, was dissolved

On 17 May 2010, the Company established a 50% owned subsidiary with the name Media and Communications Partners Limited, in which it subscribed for 500 ordinary "B" shares of £0.01 each

RESULTS AND DIVIDENDS

The Company's profit after tax for the financial year was £4,070,273 (2009 loss £1,203,464)

No dividend was paid during the year (2009 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 17.

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.

Price risk

The Company is exposed to derivative market price risk as a result of its operations. 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 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. The Company uses derivative financial instruments to manage foreign exchange risk. Any material remaining non-functional currency exposures are managed by applying a group wide process of limiting exposure at an individual company level.

DIRECTORS' REPORT (CONTINUED)**DIRECTORS**

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

P Kirk
I Learmonth (resigned 30 June 2010)
R Tallentire

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 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, 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


Director
30 June 2010

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 2010 which comprise 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 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.

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 2010 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 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

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
Turnover		6,090,041	5,392,218
Administrative expenses		<u>(40,795)</u>	<u>(37,906)</u>
		6,049,246	5,354,312
Other operating gains		<u>44,305</u>	<u>262,689</u>
OPERATING PROFIT		6,093,551	5,617,001
Impairment of fixed asset investments		(273,088)	(184,213)
Gain/(loss) on sale of fixed asset investments		2,264,687	(1,086,715)
Interest receivable and similar income	3	1,542,237	995,523
Interest payable and similar charges	4	<u>(4,189,391)</u>	<u>(5,041,391)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	5,437,996	300,205
Tax on profit on ordinary activities	6	<u>(1,367,723)</u>	<u>(1,503,669)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>4,070,273</u></u>	<u><u>(1,203,464)</u></u>

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

The notes on pages 11 to 19 form part of these financial statements

MACQUARIE UK HOLDINGS LIMITED**COMPANY NUMBER 02579363****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2010**

	2010	2009
	£	£
Profit/(loss) for the financial year	4,070,273	(1,203,464)
Movement in foreign currency translation reserve (note 14)	-	-
Total recognised gains/(losses) for the financial year	<u>4,070,273</u>	<u>(1,203,464)</u>

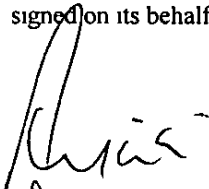
The notes on pages 11 to 19 form part of these financial statements

MACQUARIE UK HOLDINGS LIMITED**COMPANY NUMBER 02579363****BALANCE SHEET AS AT 31 MARCH 2010**

	Notes	2010 £	2009 £
FIXED ASSETS			
Investments	9	<u>64,122,523</u>	<u>62,622,992</u>
		64,122,523	62,622,992
CURRENT ASSETS			
Debtors	10	<u>25,729,035</u>	<u>20,620,483</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(82,414,915)	(71,771,176)
NET CURRENT ASSETS		<u>(56,685,880)</u>	<u>(51,150,693)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,436,643	11,472,299
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	-	(8,105,929)
NET ASSETS		<u><u>7,436,643</u></u>	<u><u>3,366,370</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Redeemable preference shares	13	6,423,921	6,423,921
Foreign currency translation reserve	14	508,563	508,563
Profit and loss account	15	<u>504,059</u>	<u>(3,566,214)</u>
TOTAL SHAREHOLDERS FUNDS	16	<u><u>7,436,643</u></u>	<u><u>3,366,370</u></u>

The notes on pages 11 to 19 form part of these financial statements

The financial statements on pages 8 to 19 were approved by the board of Directors on 20 June 2010 and were signed on its behalf by


 Peter Kiril
 Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010**1 ACCOUNTING POLICIES**

The financial statements are prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006, and with applicable accounting standards

The financial statements contain information about Macquarie UK Holdings Limited 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.

The particular policies adopted are described below as follows:

a) TURNOVER

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

b) OTHER OPERATING GAINS

Gains arising from foreign currency transactions are accounted for as other operating gains.

c) INTEREST

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

Interest receivable from and payable to other Macquarie Group entities 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) TAXATION AND DEFERRED TAXATION

The charge for taxation is based on the profit 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 2010
(CONTINUED)****1 ACCOUNTING POLICIES (CONTINUED)****e) 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.

f) DERIVATIVE FINANCIAL INSTRUMENTS

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

These are accounted for on an accruals basis, based on current spot FX rates against the 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.

g) 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 that occur after the initial recognition of the asset (a 'loss event') 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.

h) 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.

i) DIVIDENDS

Dividend income is recognised when approved by the directors of the underlying investment. For holding companies, dividend income is classified as turnover.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)****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

	2010	2009
	£	£
Interest receivable from other Macquarie Group undertakings	1,517,333	995,523
Interest receivable from unrelated parties	24,904	-
	<u>1,542,237</u>	<u>995,523</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Interest payable to other Macquarie Group undertakings	4,189,391	5,040,301
Interest payable to unrelated parties	-	1,090
	<u>4,189,391</u>	<u>5,041,391</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2010	2009
	£	£
Foreign exchange gains	(44,305)	(262,689)
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	15,327	22,600

The Company had no employees during the year (2009 nil)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)**

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge for the year

	2010	2009
	£	£
Current tax		
UK corporation tax	(7,271)	686,654
Foreign tax suffered	818,427	-
Double tax relief	(307,463)	-
Adjustments to tax in respect of prior years	(779,597)	879,154
Total current tax	<u>(275,904)</u>	<u>1,565,808</u>
Deferred tax		
Origination and reversal of timing differences	1,643,627	(62,139)
Total deferred tax	<u>1,643,627</u>	<u>(62,139)</u>
Tax on profit on ordinary activities	<u>1,367,723</u>	<u>1,503,669</u>

Factors affecting tax charge for the year

The taxation charge for the year ended 31 March 2010 is lower (2009 higher) than the standard rate of corporation tax in the United Kingdom of 28%. The differences are explained below

	2010	2009
	£	£
Profit on ordinary activities before taxation	5,437,996	300,205
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 28% (2009 28%)	(1,522,639)	(84,058)
Effects of		
Gain/(loss) on sale of subsidiary not assessable/deductible	634,112	(304,280)
Non-assessable income	1,186,817	-
Non-deductible expenses	(291,019)	(298,316)
Foreign tax suffered	(818,427)	-
Double tax relief	307,463	-
Adjustments to tax in respect of prior years	779,597	(879,154)
	<u>275,904</u>	<u>(1,565,808)</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)**

7 DEFERRED TAX ASSET

	2010 £	2009 £
At 1 April	1,643,627	1,705,766
Tuning differences		
Impairment of subsidiaries (note 6)	(1,643,627)	(62,139)
Deferred tax asset recognised at 31 March	<u>-</u>	<u>1,643,627</u>
The deferred tax asset comprises:		
Impairment of subsidiaries	-	1,643,627
Deferred tax asset recognised at 31 March	<u>-</u>	<u>1,643,627</u>

8 DIRECTORS' REMUNERATION

During 2009 and 2010 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 FIXED ASSET INVESTMENTS

	2010 £	2009 £
COST		
At 1 April	62,622,992	56,756,568
Additions	4,463	11,132,842
Disposals	(6,645,966)	(5,786,250)
Foreign currency translation	8,414,122	704,045
Impairment during the year	(273,088)	(184,213)
At 31 March	<u>64,122,523</u>	<u>62,622,992</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)**

9 FIXED ASSET INVESTMENTS (CONTINUED)

Fixed asset investments comprise

Non-controlled investments	Nature of business	Country of incorporation	% ownership	2010 £	2009 £
Macquarie Korea Infrastructure Fund (MKIF)	Infrastructure investment	Republic of Korea	3.76%	33,503,505	29,205,423
Macquarie Korea Opportunities Fund (MKOF)	Infrastructure investment	Republic of Korea	5.76%	30,607,836	31,865,331
Shinhan Macquarie Financial Advisory Co Limited	Fund advisory	Republic of Korea	49%	-	265,429
				<u>64,111,341</u>	<u>61,336,183</u>

Non-controlled investments and disposals

- MKOF's May 2009 distribution contained a return of capital component of KRW 10.2 billion (£5,373,536)
- On 31 March 2010, the Company provided for impairment losses on Shinhan Macquarie Financial Advisory Co Limited of £265,429

Subsidiaries	Nature of business	Country of incorporation	% ownership	2010 £	2009 £
Global Asset Transformation Services Limited	Dormant	England / Wales	100%	-	1,268,398
Macquarie Capital Limited	Dormant	England / Wales	100%	-	6,748
Goonzaran Bluebell Leasing Limited	Leasing	England / Wales	100%	3,488	3,488
MEIF (UK) Limited	Holding company	England / Wales	100%	3,230	8,174
Macquarie Capital (UK) Limited	Dormant	England / Wales	100%	1	1
Macquarie Storage Europe Limited	Investment in storage facilities	England / Wales	100%	3,463	-
SiCURAnt InvestCo GP Limited	Holding company	England / Wales	100%	1,000	-
Macquarie Real Estate Europe Limited	Real estate	England / Wales	0%	-	-
				<u>11,182</u>	<u>1,286,809</u>
				<u>64,122,523</u>	<u>62,622,992</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

9 FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiary acquisitions and disposals

- On 3 February 2010, the Company received a repayment of share capital in Global Asset Transformation Services Limited of €1,450,746 (£1,272,430)
- On 10 February 2010, the Company purchased 15,001 ordinary shares in Macquarie Storage Europe Limited from Macquarie Real Estate Europe Limited for consideration of £3,463
- On 19 February 2010, the Company established a subsidiary in England & Wales with the name SiCURAnt InvestCo GP Limited, in which it subscribed for 1,000 ordinary shares of £1 each
- On 26 February 2010, the Company transferred its two fully paid ordinary shares of £1 each held in Macquarie Real Estate Europe Limited to Charter Hall Holdings Pty Limited for consideration of A\$3,710,000 (£2,264,687)
- On 31 March 2010, the Company reversed previous impairment losses on Global Asset Transformation Services Limited of £4,033
- On 31 March 2010, the Company provided for impairment losses on Macquarie Capital Limited of £6,748
- On 31 March 2010, the Company provided for impairment losses on MEIF (UK) Limited of £4,944

10 DEBTORS

	2010 £	2009 £
Amounts owed by other Macquarie Group undertakings	25,405,059	18,389,313
Deferred taxation (note 7)	-	1,643,627
Taxation	314,733	587,543
Other debtors	9,243	-
	<u>25,729,035</u>	<u>20,620,483</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 2010 the rate applied ranged between LIBOR plus 1.22% and LIBOR plus 2.35% (2009 between LIBOR plus 3.02% and LIBOR plus 3.57%).

11 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Amounts owed to other Macquarie Group undertakings	45,607,029	48,426,780
Class A redeemable preference shares	36,790,946	23,297,012
Trade creditors	16,940	47,384
	<u>82,414,915</u>	<u>71,771,176</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 2010 the rate applied was LIBOR plus 2.35% (2009 LIBOR plus 3.57%).

Redeemable preference shares denominated in Korean Won carry a variable preferential dividend as declared by 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 due to their pending maturity dates. 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)**

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Class A redeemable preference shares	-	8,105,929
	-	8,105,929

13 CALLED UP SHARE CAPITAL

	2010 £	2009 £
AUTHORISED		
100 ordinary shares of £1 each	100	100
63,600 (2009 63,600) Class A redeemable preference shares at £101 01 each	6,423,921	6,423,921
	6,424,021	6,424,021
ALLOTTED AND FULLY PAID		
100 ordinary shares of £1 each	100	100
63,600 (2009 63,600) Class A redeemable preference shares at £101 01 each	6,423,921	6,423,921
	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 has been split between debt and equity in accordance with the adopted accounting policy

14 FOREIGN CURRENCY TRANSLATION RESERVE

	2010 £	2009 £
1 April	508,563	508,563
Foreign currency translation gain	-	-
31 March	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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010
(CONTINUED)****15 PROFIT AND LOSS ACCOUNT**

	2010 £	2009 £
Opening balance	(3,566,214)	(2,362,750)
Profit/(loss) for the year	4,070,273	(1,203,464)
Closing balance	<u>504,059</u>	<u>(3,566,214)</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2010 £	2009 £
Opening shareholders funds	3,366,370	4,569,834
Profit/(loss) for the year	4,070,273	(1,203,464)
Closing shareholders funds	<u>7,436,643</u>	<u>3,366,370</u>

17 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

18 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 17

19 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 the FRS 1 (revised 1996)

20 POST BALANCE SHEET DATE EVENTS

On 25 May 2010, Macquarie Capital Limited, previously a controlled entity owned by the Company, was dissolved

On 8 June 2010, Global Asset Transformation Services Limited, previously a controlled entity owned by the Company, was dissolved

On 17 May 2010, the Company established a 50% owned subsidiary with the name Media and Communications Partners Limited, in which it subscribed for 500 ordinary "B" shares of £0.01 each