

## **MACQUARIE UK HOLDINGS LIMITED**

COMPANY NUMBER 02579363

Strategic Report, Directors' Report and Financial Statements  
for the financial year ended 31 March 2015



The Company's registered office is:  
Ropemaker Place  
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London EC2Y 9HD

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# Macquarie UK Holdings Limited

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## 2015 Strategic Report, Directors' Report and Financial Statements

### Contents

	<b>Page</b>
<b>Strategic Report</b>	<b>2</b>
<b>Directors' Report</b>	<b>4</b>
<b>Independent Auditors' Report to the members of Macquarie UK Holdings Limited</b>	<b>7</b>
<b>Financial Statements</b>	
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	
Note 1. Summary of significant accounting policies	11
Note 2. (Loss)/profit on ordinary activities before taxation	14
Note 3. Interest receivable and similar income	14
Note 4. Interest payable and similar charges	14
Note 5. Tax on (loss)/profit on ordinary activities	14
Note 6. Dividends paid	15
Note 7. Fixed asset investments	15
Note 8. Debtors	16
Note 9. Creditors: amounts falling due within one year	16
Note 10. Creditors: amounts falling due after more than one year	17
Note 11. Called up share capital	17
Note 12. Reserves and profit and loss account	17
Note 13. Reconciliation of movements in shareholders' funds	18
Note 14. Related party information	18
Note 15. Directors' remuneration	19
Note 16. Contingent liabilities and commitments	19
Note 17. Segmental reporting	19
Note 18. Cash flow statement	19
Note 19. Ultimate parent undertaking	19
Note 20. Fair value of derivatives	19
Note 21. Events after the reporting period	19

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# Macquarie UK Holdings Limited

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## Strategic Report for the financial year ended 31 March 2015

In accordance with a resolution of the directors (the "Directors") of Macquarie UK Holdings Limited (the "Company"), the Directors submit herewith the Strategic Report of the Company as follows:

### Principal activities

The principal activities of the Company during the financial year ended 31 March 2015 were the holding of investments as below:

- The Company holds an investment in Macquarie Korea Infrastructure Fund, a listed Korean infrastructure fund, managed by Macquarie Korea 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 owns Macquarie Capital (Korea) Limited, a Korean Company engaged in infrastructure management, asset based financing, project finance advisory and other related business in Korea.
- The Company acts as a holding Company for various subsidiaries, including Goonzaran Bluebell Leasing Limited, MEIF (UK) Limited and Poseidon InvestCo GP Ireland Limited.

### Review of operations

The loss for the financial year ended 31 March 2015 was £3,652,596 as compared to profit of £6,279,108 in the previous year.

The operating profit for the financial year ended 31 March 2015 was £5,213,744, a decrease of 27 per cent from profit of £7,159,230 in the previous year.

Total operating expenses for the financial year ended 31 March 2015 were £818,381 an increase by 55 percent from operating expenses of £526,553 in the previous year.

### 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 ("MGL"), which include those of the Company, are discussed in its financial statements and can be obtained from the address given in Note 19.

### 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, interest rate risk, foreign exchange risk and performance of its investment in subsidiaries. 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 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 of MGL.

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# Macquarie UK Holdings Limited

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## Strategic Report (continued) for the financial year ended 31 March 2015

### Financial risk management (continued)

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

Liquidity risk is the risk of an entity encountering difficulty in meeting obligations with financial liabilities. 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 and external parties, 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-local currencies. Any material non-local currency exposures are managed by applying a group wide process of minimising exposure at an individual company level.

### 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 Strategic Report is not necessary for an understanding of the development, performance or position of the business. KPIs are monitored at the Macquarie Group level.

On behalf of the Board



Director **ROBERT THOMPSON**

10 DECEMBER 2015

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# Macquarie UK Holdings Limited

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## **Directors' Report** **for the financial year ended 31 March 2015**

In accordance with a resolution of the Directors of the Company, the Directors submit herewith the audited financial statements of the Company and report as follows:

### **Directors and Secretaries**

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

M Gummer

J Tang

R Thompson

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

H Everitt

O Shepherd

### **Results**

The loss for the financial year ended 31 March 2015 was £3,652,596 (2014: Profit £6,279,108).

### **Dividends and distributions paid or provided for**

Interim dividends of £11,500,000 (2014: £Nil) on the ordinary shares were paid during the financial year. The Company also paid dividends of £6,680,000 in respect of the redeemable preference shares.

No other dividends were paid or provided for during the financial year (2014: £Nil).

### **State of affairs**

On 29 September 2014, the Company received a capital contribution of £37,087,113 from its parent Macquarie Corporate International Holdings Pty Limited, and on the same date the company redeemed its Class A redeemable preference shares.

On 21 October 2014, Media and Communications Partners Limited, in which the Company owned a 50% stake was dissolved.

On 18 November 2014, the Company acquired 100% stake in UK PPP Investments GP Limited and Hermes Infrastructure Investco UK GP Limited (formerly UK PPP Investments LP Limited).

On 16 March 2015, the Company subscribed to 1000 ordinary shares of €1 each in Hermes Infrastructure Investco Ireland GP Limited.

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.

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# Macquarie UK Holdings Limited

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## **Directors' Report (continued)** **for the financial year ended 31 March 2015**

### **Events after the reporting period**

On 19 June 2015, the Company subscribed for 100 ordinary share of £1 each in UK NPD Investments GP Limited.

On 25 September 2015, the Company subscribed for 100 ordinary share of €1 each in GGB InBalans Investco UK GP Limited.

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 2015 not otherwise disclosed in this report.

### **Likely developments, business strategies and prospects**

The Directors believe that no significant changes are expected other than those already disclosed in this report.

### **Indemnification and insurance of Directors**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The ultimate parent purchased and maintained throughout the financial year Directors' liability insurance in respect of the Company and its Directors.

### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, 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; and
- 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 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.

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# Macquarie UK Holdings Limited

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## Directors' Report (continued) for the financial year ended 31 March 2015

### Disclosure of information to Auditors

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.

### 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



Director

ROBERT THOMPSON

10/12/2015

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

## **Report on the financial statements**

### **Our opinion**

In our opinion Macquarie UK Holdings Limited's financial statements ("financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 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.

### **What we have audited**

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 March 2015;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



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

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities 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 ISAs (UK & 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.

### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Strategic Report, Directors' Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



**Jonathan Hinchliffe (Senior Statutory Auditor)**  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

11 DECEMBER 2015

# Macquarie UK Holdings Limited

## Financial Statements

### Profit and loss account for the financial year ended 31 March 2015

	Note	2015 £	2014 £
<b>Turnover</b>	1(v)	<b>6,032,125</b>	<b>7,685,783</b>
Administrative expenses		(173,826)	(34,980)
Other operating expenses		(644,555)	(491,573)
<b>Operating profit</b>		<b>5,213,744</b>	<b>7,159,230</b>
 <i>Interest receivable and similar income</i>	3	 <b>1,256,323</b>	 943,720
<i>Amount written off investments</i>		<b>(6,374,630)</b>	(8,500)
<i>Interest payable and similar charges</i>	4	<b>(1,283,362)</b>	(1,033,083)
<b>(Loss)/profit on ordinary activities before taxation</b>	2	<b>(1,187,925)</b>	<b>7,061,367</b>
<b>Tax on (loss)/profit on ordinary activities</b>	5	<b>(2,464,671)</b>	<b>(782,259)</b>
<b>(Loss)/profit for the financial year</b>	12	<b>(3,652,596)</b>	<b>6,279,108</b>

The above profit and loss account should be read in conjunction with the accompanying notes on pages 11 to 19.

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

There are no material differences between the (loss)/profit on ordinary activities before taxation for the financial 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.

# Macquarie UK Holdings Limited

## Balance sheet as at 31 March 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Investments	7	47,162,632	49,770,265
<b>Current assets</b>			
Debtors	8	12,413,596	31,885,031
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(14,488,219)	(63,988,345)
<b>Net current liabilities</b>		(2,074,623)	(32,103,314)
<b>Total assets less current liabilities</b>		45,088,009	17,666,951
<b>Creditors: amounts falling due after more than one year</b>	10	(12,166,541)	-
<b>Net assets</b>		32,921,468	17,666,951
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Equity contribution from parent entity	11	37,087,113	-
Redeemable preference shares	11	-	6,423,921
Foreign currency translation reserve	12	508,563	508,563
Profit and loss account	12	(4,674,308)	10,734,367
<b>Total shareholders' funds</b>	13	32,921,468	17,666,951

The above balance sheet should be read in conjunction with the accompanying notes on pages 11 to 19.

The financial statements on pages 9 to 19 were approved by the Board of Directors on **10 DECEMBER** 2015 and were signed on its behalf by:



Director

**ROBERT THOMPSON**

**10/12/2015**

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# Macquarie UK Holdings Limited

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## Notes to the financial statements for the financial year ended 31 March 2015

### 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 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 the company and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its ultimate parent MGL, a company incorporated in Australia.

The principal accounting policies adopted in the preparation of these financial statements 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.

#### *Deficiency of net current assets*

The Directors of the Company have prepared the financial statements on a going concern basis despite there being an excess of current liabilities over current assets at 31 March 2015 of £2,074,623. The signing authorities of Macquarie Financial Holdings Pty Limited (Formerly Macquarie Financial Holdings Limited) have given a letter of comfort providing that funds will be contributed to the Company directly or indirectly to assist in settling its liabilities, where the Company has insufficient liquidity. The letter of comfort enables the Company to pay its debts as and when they fall due and therefore the financial statements have been prepared on a going concern basis.

#### *New accounting standards that are not yet effective*

*FRS 100 Application of Financial Reporting Requirements, FRS 101 Reduced Disclosure Framework and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

The Company has adopted FRS 101 for the annual reporting period commencing from 1 April 2015. FRS 101 sets out disclosure exemptions available to UK entities which otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. Financial statements prepared under the standard will be defined as Companies Act financial statements under the Companies Act 2006.

The key accounting policies which are likely to be impacted on adoption are:

- Financial instruments
- Foreign currency translation
- Taxation

#### 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 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 and losses on translation of the foreign borrowing.

#### iii) Revenue and expense recognition

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 and Interest expense*

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

Interest receivable from and interest 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.

#### *Dividends and distributions*

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.

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# Macquarie UK Holdings Limited

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## Notes to the financial statements (continued) for the financial year ended 31 March 2015

### Note 1. Summary of significant accounting policies (continued)

#### iv) Other operating (expenses)/income

Net (losses)/gains arising from foreign currency transactions are accounted for as other operating (expenses)/income respectively.

#### v) Turnover

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

#### vi) 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. 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.

#### vii) Derivative instruments

Derivative financial instruments entered into by the Company include forwards. 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. The Company's position on derivative financial instruments is shown net by counterparty on the balance sheet.

#### viii) 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.

#### ix) Investments

##### *Investments in subsidiaries*

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern directly or indirectly decision-making in relation to financial and operating policies, so as to require that entity to conform with the Company's objectives. Investments including investments in subsidiary undertakings are recorded at cost less provision for impairment.

##### *Interests in non controlled entities*

Investments in non controlled entities are recorded at cost less provision for impairment.

#### x) Impairment

##### *Investments in subsidiaries*

Where the Directors are of the opinion that there has been a permanent diminution in the value of investment, the carrying amounts of such investment is written down to their recoverable amount. The impairment of fixed asset investment is recognised as an expense in the profit and loss account. At each balance sheet date, investments in subsidiaries that have been impaired are reviewed for possible reversal of the impairment.

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# Macquarie UK Holdings Limited

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## Notes to the financial statements (continued) for the financial year ended 31 March 2015

### Note 1. Summary of significant accounting policies (continued)

#### x) Impairment (continued)

##### *Interests in non controlled investments*

The Company performs an assessment at each balance sheet date to determine whether there is any objective evidence that its interests in associates is impaired. The entire carrying amount of each investment in associate is considered in the assessment. If there is an indication that an investment in an associate may be impaired, then the entire carrying amount of the investment in associate is tested for impairment by comparing the recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Impairment losses recognised in the profit and loss account for investments in associates are subsequently reversed through the profit and loss account if there has been a change in the estimate used to determine recoverable amount since the impairment loss was recognised.

##### *Loans and receivables*

Loan and receivables are subject to regular review and assessment for possible impairment. Provisions for impairment are recognised in the profit and loss account and are measured as the difference between the carrying value and the net realisable value.

#### xi) Offsetting financial assets and financial liabilities

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.

#### xii) Cash at bank

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

#### xiii) 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 had issued Class A redeemable preference shares at a par value of KRW 1,000,000 each, which are accounted for as compound financial instruments and 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.

The liability component of the preference shares was recognised at amortised cost 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 remeasured in subsequent periods.

# Macquarie UK Holdings Limited

## Notes to the financial statements (continued) for the financial year ended 31 March 2015

	2015 £	2014 £
<b>Note 2. (Loss)/profit on ordinary activities before taxation</b>		
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Foreign exchange losses	644,555	491,573
Other administration expenses	15,719	23,085
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	12,157	11,770

The Company had no employees during the year (2014: nil).

### Note 3. Interest receivable and similar income

Interest receivable from other Macquarie Group undertakings	1,256,323	943,720
<b>Total interest receivable and similar income</b>	<b>1,256,323</b>	<b>943,720</b>

### Note 4. Interest payable and similar charges

Interest payable to other Macquarie Group undertakings	1,283,362	1,033,083
<b>Total interest payable and similar expenses</b>	<b>1,283,362</b>	<b>1,033,083</b>

### Note 5. Tax on (loss)/profit on ordinary activities

Analysis of tax charge/(credit) for the year:

#### Current tax

UK corporation tax at 21% (2014: 23%)	3,391	(146,141)
Adjustments to tax in respect of prior years	1,856,458	(178,097)
Foreign tax suffered	604,822	1,106,497
<b>Current tax</b>	<b>2,464,671</b>	<b>782,259</b>

Factors affecting tax charge for the year:

The taxation debit for the year ended 31 March 2015 is higher (2014: lower) than the standard rate of corporation tax in the United Kingdom of 21% (2014: 23%). The differences are explained below:

(Loss)/profit on ordinary activities before taxation	(1,187,925)	7,061,367
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 21% (2014: 23%)	249,463	(1,624,114)
Effects of:		
Adjustment in respect of prior years	(1,856,458)	178,097
Non deductible expenses	(1,338,672)	(1,955)
Foreign tax incurred	(604,822)	(1,106,497)
Deduction for foreign tax incurred	459,026	-
Non assessable income	626,792	1,772,210
<b>Current tax</b>	<b>(2,464,671)</b>	<b>(782,259)</b>

The UK Government have enacted a reduction in the main rate of corporation tax from 23% to 21% from 1 April 2014 and then from 21% to 20% from 1 April 2015. Furthermore, in the 2015 Finance Bill that was substantively enacted on 26th October 2015 for accounting purposes, the UK Government have reduced the UK corporation tax rate to 19% from 1 April 2017 and then to 18% from 1 April 2020.

# Macquarie UK Holdings Limited

## Notes to the financial statements (continued) for the financial year ended 31 March 2015

	2015 £	2014 £
<b>Note 6. Dividends paid</b>		
Dividend paid in September 2014 on class A preference shares	6,680,000	-
2015 Interim dividend paid in March 2015 on ordinary shares	11,500,000	-
<b>Total dividends paid</b>	<b>18,180,000</b>	<b>-</b>

<b>Note 7. Fixed asset investments</b>		
Investments at cost without provisions for impairment	34,966,552	49,769,265
Investments at cost with provisions for impairment	18,872,109	302,399
Less provisions for impairment	(6,676,029)	(301,399)
Investments at recoverable amount	12,196,080	1,000
<b>Total investments</b>	<b>47,162,632</b>	<b>49,770,265</b>

### Non-controlled investments:

Name of investment	Nature of business	Registered office	% ownership	2015 £	2014 £
Macquarie Korea Infrastructure Fund	Infrastructure investment	Hanwha Building, Sogong-dong, 109 Sogong-ro, Jung-gu, Seoul, 100-755, Republic of Korea	3.76	34,961,511	32,501,121
Macquarie Korea Opportunities Fund	Infrastructure investment	Hanwha Building, Sogong-dong, 109 Sogong-ro, Jung-gu, Seoul, 100-755, Republic of Korea	5.76	11,929,679	17,263,814
Media and Communications Partners Limited	Dissolved on 21 October 2014	4th Floor United Kingdom House 2 - 5 Great Titchfield Street, London W1D 1NN United Kingdom	50	-	5
<b>Total non-controlled investments</b>				<b>46,891,190</b>	<b>49,764,940</b>

### Controlled investments:

Name of investment	Nature of business	Registered office	% ownership	2015 £	2014 £
Goonzaran Bluebell Leasing Limited	Leasing	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	3,488	3,488
MEIF (UK) Limited	Holding company	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	-	-
UK PPP Investments GP Limited <sup>1</sup>	General partner of a UK limited partnership	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	-
Hermes Infrastructure Investco Ireland GP Limited <sup>2</sup>	General partner of a UK limited partnership	1st Floor, Connaught House, 1 Burlington Road, Dublin 4 Ireland	100	714	-



# Macquarie UK Holdings Limited

## Notes to the financial statements (continued) for the financial year ended 31 March 2015

### Note 7. Fixed asset investments (continued)

#### Controlled investments: (continued)

Name of investment	Nature of business	Registered office	% ownership	2015 £	2014 £
Hermes Infrastructure Investco UK GP Limited (Formerly UK PPP Investments LP Limited) <sup>1</sup>	General partner of a UK limited partnership	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	-
SiCURAnt InvestCo GP Limited <sup>3</sup>	Dissolved on 5 May 2015	Ropemaker Place 28 Ropemaker Street London EC2Y 9HD United Kingdom	100	1	1,000
Poseidon InvestCo GP Ireland Limited	Holding company	First Floor Connaught House 1 Burlington Road Dublin 4 Ireland	100	837	837
Macquarie Capital (Korea) Limited <sup>4</sup>	Advisory Fund	Hanwha Building, Sogong-dong, 109 Sogong-ro, Jung-gu, Seoul, 100-755, Republic of Korea	100	266,400	-
<b>Total controlled investments</b>				<b>271,442</b>	<b>5,325</b>
<b>Total fixed asset investments</b>				<b>47,162,632</b>	<b>49,770,265</b>

<sup>1</sup>On 18 November 2014, the Company acquired 100% stake in UK PPP Investments GP Limited and Hermes Infrastructure Investco UK GP Limited (formerly UK PPP Investments LP Limited).

<sup>2</sup>On 16 March 2015, the Company subscribed for €1000 ordinary shares of €1 each in Hermes Infrastructure Investco Ireland GP Limited.

<sup>3</sup>During the year a capital reduction of £999 was recorded in SiCURAnt InvestCo GP Limited.

<sup>4</sup>During the year an impairment reversal was recorded in Macquarie Capital (Korea) Limited.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

### Note 8. Debtors

Amounts owed by other Macquarie Group undertakings <sup>1</sup>	12,413,596	31,709,222
Taxation	-	175,809
<b>Total debtors</b>	<b>12,413,596</b>	<b>31,885,031</b>

<sup>1</sup>Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans to other Macquarie Group undertakings at market rates and at 31 March 2015 the rate applied ranged between LIBOR plus 1.18% and LIBOR plus 3.09% (2014: between LIBOR plus 1.72% and LIBOR plus 2.91%).

### Note 9. Creditors: amounts falling due within one year

Trade creditors	145,741	7,944
Amounts owed to other Macquarie Group undertakings <sup>1</sup>	10,030,349	27,970,896
Other financial market liabilities <sup>2</sup>	2,452,139	84,724
Class A redeemable preference shares <sup>3</sup>	-	35,924,781
Taxation	1,859,990	-
<b>Total creditors</b>	<b>14,488,219</b>	<b>63,988,345</b>

<sup>1</sup>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 2015 the rate applied was LIBOR plus 2.49% (2014: LIBOR plus 2.91%).

<sup>2</sup>Other financial market liabilities represents derivative instruments.

<sup>3</sup>Redeemable preference shares denominated in Korean Won carried a variable preferential dividend as declared by the Directors of the Company from time to time. These preference shares were redeemed at par by the Company on 29 September 2014.

# Macquarie UK Holdings Limited

## Notes to the financial statements (continued) for the financial year ended 31 March 2015

	2015 £	2014 £
<b>Note 10. Creditors: amounts falling due after more than one year</b>		
Amounts owed to other Macquarie Group undertaking <sup>1</sup>	12,166,541	-
<b>Total creditors</b>	<b>12,166,541</b>	<b>-</b>

<sup>1</sup>Amounts owed to other Macquarie Group undertaking is unsecured and has a maturity date of 19 September 2016. The Company incurs interest on amounts owed to other Macquarie Group undertakings at market rates and at 31 March 2015 the rate applied was LIBOR plus 2.49%.

### Note 11. Called up share capital

	2015 Number of shares	2014 Number of shares	2015 £	2014 £
<b>Called up share capital</b>				
Opening balance of fully paid ordinary shares	100	100	100	100
Opening balance of Class A redeemable preference shares	63,600	63,600	6,423,921	6,423,921
Redemption of the Class A redeemable preference shares on 29 September 2014	(63,600)	-	(6,423,921)	-
<b>Closing balance of shares</b>	<b>100</b>	<b>63,700</b>	<b>100</b>	<b>6,424,021</b>

### Equity contribution from parent entity

Additional equity contribution	37,087,113	-
<b>Closing balance of equity contribution from parent entity</b>	<b>37,087,113</b>	<b>-</b>

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 was initially recognised at fair value within creditors and the difference between the consideration received and the liability component was assigned to equity (refer note 9).

The liability component of the preference shares was recognised at amortised cost basis until maturity. The unwinding of the discount on the liability component was recognised in the profit and loss account as interest using the effective yield basis. The equity component is determined on issue and is not remeasured in subsequent years. On 29 September 2014 these preference shares were redeemed at par by the Company.

### Note 12. Reserves and profit and loss account

#### Foreign currency translation reserve

Balance at the beginning of the financial year	508,563	508,563
<b>Balance at the end of the financial year</b>	<b>508,563</b>	<b>508,563</b>

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	10,734,367	4,455,259
(Loss)/profit for the financial year	(3,652,596)	6,279,108
Dividends paid	(18,180,000)	-
Redemption of equity component of preference shares	6,423,921	-
<b>Balance at the end of the financial year</b>	<b>(4,674,308)</b>	<b>10,734,367</b>

# Macquarie UK Holdings Limited

## Notes to the financial statements (continued) for the financial year ended 31 March 2015

	2015 £	2014 £
<b>Note 13. Reconciliation of movements in shareholders' funds</b>		
Balance at the beginning of the financial year	17,666,951	11,387,843
(Loss)/profit for the financial year	(3,652,596)	6,279,108
Equity contribution from parent	37,087,113	-
Dividends paid	(18,180,000)	-
<b>Balance at the end of the financial year</b>	<b>32,921,468</b>	<b>17,666,951</b>

### Note 14. Related party information

As 100% of the voting rights of the Company are controlled within the group headed by MGL, 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 MGL, within which the Company is included, can be obtained from the address given in note 19.

Other related party transactions for the year ended 31 March 2015 relating to the Company's associates and joint ventures outside the group have been disclosed in the table below.

There are no other related party transactions other than those disclosed in this note.

Related party	Relationship	Nature	2015 £	2014 £
Macquarie Korea Infrastructure Fund (MKIF)	Non-controlled investment	Distributions received	3,047,402	3,636,327
Macquarie Korea Opportunities Fund (MKOF)	Non-controlled investment	Distributions received	-	4,049,456
Macquarie Capital (Korea) Limited	Subsidiary	Dividends received	2,915,927	-
Media and Communications Partners Limited	Non-controlled investment	Distributions received	68,796	-

Details of holdings by subsidiary undertakings are as below:

Name of related party	Registered office	% ownership	Class of shares
<b>Subsidiaries of Goonzaran Bluebell Leasing Limited :</b>			
Goonzaran Bluebell Funding Limited	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100	Ordinary
<b>Subsidiary of Goonzaran Bluebell Funding Limited:</b>			
The Goonzaran LLP	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100	Partnership
The Bluebell Transportation LLP	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100	Partnership
<b>Subsidiary of MEIF (UK) Limited:</b>			
Macquarie GP Limited	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100	Ordinary
Macquarie (Scotland) GP Limited	50 Lothian Road, Festival Square, Edinburgh Scotland EH3 9WJ	100	Ordinary
Macquarie GP2 Limited	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100	Ordinary
Macquarie Infrastructure GP Limited	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100	Ordinary
YBR Feeder GP Limited	Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	100	Ordinary

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# Macquarie UK Holdings Limited

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## Notes to the financial statements (continued) for the financial year ended 31 March 2015

### Note 15. Directors' remuneration

During the financial years ended 31 March 2015 and 31 March 2014, all the 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 accurately across all these duties would not be feasible. Accordingly, no separate remuneration has been disclosed.

### Note 16. Contingent liabilities and commitments

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

### Note 17. 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 MGL, 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 18. 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 MGL, 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).

### Note 19. Ultimate parent undertaking

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

The ultimate parent undertaking and controlling party of the Company is MGL. The largest group to consolidate these financial statements is MGL, a company incorporated in Australia. The smallest group to consolidate these financial statements is Macquarie Financial Holdings Pty Limited ("MFHL"), a company incorporated in Australia. Copies of the consolidated financial statements for MGL and MFHL can be obtained from the Company Secretary, Level 6, 50 Martin Place, Sydney, New South Wales, 2000, Australia.

### Note 20. Fair value of derivatives

	2015	2014
	£	£
<b>Foreign exchange forward contracts</b>		
Nominal value	53,532,219	17,468,820
Net fair value	(2,195,513)	(68,673)

The Company entered into above derivative instruments to economically hedge FX of its operations.

### Note 21. Events after the reporting period

On 19 June 2015, the Company subscribed for 100 ordinary share of £1 each in UK NPD Investments GP Limited.

On 25 September 2015, the Company subscribed for 100 ordinary share of €1 each in GGB InBalans Investco UK GP Limited.

There were no other material events subsequent to 31 March 2015 that have not been reflected in the financial statements.