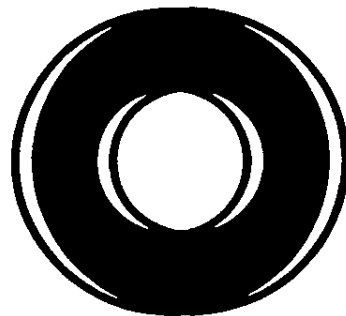


**Company Registration Number : 4866246**

**MEIF (UK) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2008**



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**MEIF (UK) LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2008**

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**MEIF (UK) LIMITED**

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**GENERAL INFORMATION****Directors**

I Learmonth  
R Tallentire  
J Craig (resigned 23 August 2007)  
A Hunter (alternate to J Craig, resigned 23 August 2007)

**Secretary**

R Tallentire  
J Greenfield (appointed 23 August 2007)  
Dominic Tan (resigned 23 August 2007)

**Registered Office**

Level 30  
CityPoint  
1 Ropemaker Street  
London EC2Y 9HD

**Auditors**

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

**Company number** 4866246

## **MEIF (UK) LIMITED**

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### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for MEIF (UK) Limited ("the Company") for the year ended 31 March 2008

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company during the financial year ended 31 March 2008 was a holding company

The Company is a wholly owned subsidiary of Macquarie UK Holdings Ltd, an entity incorporated in England and Wales, and ultimately a wholly owned subsidiary of the Macquarie Group Limited group

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

On 11 May 2007, the Company sold 100% of its investments in Macquarie Treuermoege GmbH and Macquarie Management GmbH to Macquarie International Holdings Ltd at cost

The company received an additional capital contribution of £20,000 from Macquarie International Ltd on 31<sup>st</sup> May 2007

The immediate parent of MEIF (UK) Limited changed from Macquarie International Limited to Macquarie UK Holdings Limited on the 1<sup>st</sup> of August 2007

On 13 November 2007, the ultimate parent of MEIF (UK) Limited changed to Macquarie Group Limited after the Macquarie Group became a non-operating holding company structure. This restructure resulted in Macquarie Group Limited being established as the ultimate parent of the Macquarie Group

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

### **POST BALANCE SHEET DATE EVENTS**

At the date of this report, the directors are not aware of any 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 2008 not otherwise disclosed in this report

### **RESULTS AND DIVIDENDS**

The Company's loss after tax for the financial year was £7,600 (2007 £1,913)

No dividend was paid during the year (2007 £ 0)

### **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 13

### **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 the KPIs in the Directors' Report is not necessary for an understanding of the development, performance or position of the business. The KPIs of the Company are monitored at the Macquarie Group level

**MEIF (UK) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)****FINANCIAL RISK MANAGEMENT**

The Company is exposed to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. As a holding company these risks are principally in its investments and associated funding. While these balances are predominantly with other Macquarie Group entities, the Company is subject to the Macquarie Group's Risk Management programme that seeks to limit adverse effects on the financial performance of the Company. The Company does not use derivative financial instrument to manage interest rate costs and, as such, no hedge accounting is applied.

**Credit risk**

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

**Liquidity risk**

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

**Interest rate risk**

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

**DIRECTORS**

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

I Learmonth  
R Tallentire  
J Craig (resigned 23 August 2007)  
A Hunter (alternate to J Craig, resigned 23 August 2007)

**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.

**ANNUAL GENERAL MEETING**

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

**MEIF (UK) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Act 1985 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

Pursuant to Section 386 of the Companies Act 1985, an elective resolution was passed resolving that the Company dispense with the requirement to appoint auditors annually.

By order of the board



Robert Tallentire  
12 September 2008

## **MEIF (UK) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEIF (UK) LIMITED**

We have audited the financial statements of MEIF (UK) Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

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

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

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
18 September 2008

**MEIF (UK) LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2008**

	Notes	2008 £	2007 £
<b>Turnover</b>		-	-
Administrative expenses		<u>(8,820)</u>	<u>(1,710)</u>
Other operating gains/(charges)		<u>(1,395)</u>	<u>847</u>
<b>OPERATING LOSS</b>		(10,215)	(863)
Interest receivable and similar income	2	219	153
Interest payable and similar charges	3	<u>(862)</u>	<u>(1,247)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	(10,858)	(1,957)
Tax on ordinary activities	5	<u>3,258</u>	<u>44</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>(7,600)</u>	<u>(1,913)</u>

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

There are no differences between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

All movements for the financial year were due to profit and loss items, therefore no statement of total recognised gains and losses has been prepared

The notes on pages 11 to 15 form part of these financial statements



**MEIF (UK) LIMITED****BALANCE SHEET AS AT 31 MARCH 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Investments	7	<u>7</u>	<u>34,295</u>
		7	34,295
<b>CURRENT ASSETS</b>			
Debtors	8	<u>33,024</u>	<u>11,336</u>
		33,024	11,336
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(19,847)</u>	<u>(44,847)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		13,177	(33,511)
<b>NET ASSETS</b>		<u>13,184</u>	<u>784</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	5,000	5,000
Other reserves	11	20,000	-
Profit and loss account		<u>(11,816)</u>	<u>(4,216)</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>13,184</u>	<u>784</u>

The notes on pages 11 to 15 form part of these financial statements

The financial statements on pages 8 to 15 were approved by the board of directors on 12 September 2008 and were signed on its behalf by



Robert Tallentire  
Director

**MEIF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008****1 ACCOUNTING POLICIES**

The financial statements are prepared on a going concern basis, under the historical cost convention, in accordance with Schedule 4 to the Companies Act 1985, and with applicable accounting standards

The financial statements contain information about MEIF (UK) Limited as an individual company and do not contain consolidated financial information as a parent of a group. The Company is exempt under section 228 of the Companies Act 1985 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.

On 13 November 2007, the ultimate parent of MEIF (UK) Limited changed to Macquarie Group Limited after the Macquarie Group became a non-operating holding company structure. The restructure resulted in Macquarie Group Limited being established as the ultimate parent of the Macquarie Group. For comparative reasons, references to the 'ultimate parent undertaking' in the prior year have been restated to 'other Macquarie Group undertakings'.

The particular policies adopted are described below as follows:

**a) OTHER OPERATING GAINS/(CHARGES)**

Gains and losses arising from foreign currency transactions are accounted for as other operating gains or charges respectively.

**b) INTEREST**

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

**c) 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 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.

**d) INVESTMENTS AND OTHER FINANCIAL ASSETS**

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 amount of such investments is written down to their recoverable amount. The impairment of fixed asset investment is recognised as an expense in the Profit and Loss Account.

**MEIF (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008  
(CONTINUED)****1 ACCOUNTING POLICIES (CONTINUED)****e) 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 which are not covered by forward exchange contracts 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.

**f) PROVISION FOR LIABILITIES AND CHARGES**

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

**2 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2008 £	2007 £
Interest receivable from other Macquarie Group undertakings	157	153
Interest receivable from unrelated parties	62	-
	<u>219</u>	<u>153</u>

**3 INTEREST PAYABLE AND SIMILAR CHARGES**

	2008 £	2007 £
Interest payable to ultimate parent undertaking	-	1,060
Interest payable to other Macquarie Group undertakings	862	187
	<u>862</u>	<u>1,247</u>

**MEIF (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008  
(CONTINUED)****4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging

	2008 £	2007 £
Auditors' remuneration		
Audit services	(8,820)	-
Foreign Exchange (gains) / charges	(1,395)	847

The company had no employees during the year (2007 nil)

Audit Fees were borne by the parent entity in the prior year

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

Analysis of tax charge/(credit) for the year

	2008 £	2007 £
Current tax		
UK corporation tax at 30% (2007 30%)	3,258	74
Adjustments to tax in respect of prior years	-	(30)
Total current tax	<u>3,258</u>	<u>44</u>
Tax on profit on ordinary activities	<u>3,258</u>	<u>44</u>

**Factors affecting tax charge for the year**

The taxation benefit for the year ended 31 March 2008 is lower (2007 lower) than the standard rate of corporation tax in the United Kingdom of 30%. The differences are explained below

	2008 £	2007 £
Loss on ordinary activities before taxation	11,152	1,957
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30% (2007 30%)	3,258	587
Effects of		
Expenses not deductible for tax purposes	-	(513)
Adjustments to tax in respect of prior years	-	(30)
	<u>3,258</u>	<u>44</u>

**6 DIRECTORS' REMUNERATION**

During 2007 and 2008 the directors were employed by, and received all emoluments from, other Macquarie Group undertakings. There is no allocation of their emoluments to the companies as it would be impractical to do so. Accordingly, no separate remuneration has been disclosed.

**MEIF (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008  
(CONTINUED)****7 FIXED ASSET INVESTMENTS**

	2008 £	2007 £
<b>COST</b>		
At 1 April	34,295	19,878
Additions	-	17,294
Disposals	(33,973)	-
Foreign currency translation	(315)	(2,877)
At 31 March	<u>7</u>	<u>34,295</u>

Fixed asset investments comprise

	Country of Incorporation	% ownership	2008 £	2007 £
Macquarie Treuermoegeen GmbH	UK	-	-	17,293
Macquarie Infrastruktur Management GmbH	UK	-	-	16,995
YBR Feeder GP Ltd	UK	100%	1	1
Macquarie Global Utility Investments GP Ltd	UK	100%	1	1
Macquarie Infrastructure GP Ltd	UK	100%	1	1
MEIF (Scotland) GP Ltd	UK	100%	1	1
Macquarie GP2 Ltd	UK	100%	2	2
Macquarie GP Ltd	UK	100%	1	1
			<u>7</u>	<u>34,295</u>

On 11 May 2007, the Company sold 100% of its investments in Macquarie Treuermoegeen GmbH and Macquarie Management GmbH to Macquarie International Holdings Ltd

**8 DEBTORS**

	2008 £	2007 £
Amounts owed by other Macquarie Group undertakings	29,766	2,693
Other debtors	-	8,569
Group Relief Receivable	3,258	74
	<u>33,024</u>	<u>11,336</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 overseas group undertakings at market rates and at 31 March 2008 the rate applied was LIBOR plus 0.35%-0.98% (2007 LIBOR plus 0.68%). The Company has opted to apply FRS 25 'Financial Instruments: Disclosure and Presentation', and has offset amounts owed to with amounts payable from group undertakings, on a counterparty by counterparty basis. The Company has a legally enforceable right of set off and intends to settle on a net basis.

**MEIF (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008  
(CONTINUED)****9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Amounts owed to ultimate parent undertaking	-	41,069
Amounts owed to subsidiary undertakings	6	-
Amounts owed to other Macquarie Group undertakings	19,829	3,762
Taxation	13	16
	<u>19,847</u>	<u>44,847</u>

Amounts owed to the subsidiary undertakings incorporated in the United Kingdom are unsecured and have no fixed date of repayment. The Company incurs interest on intercompany loans owed to Macquarie group undertakings at market rates and at 31 March 2008 the rate applied was LIBOR plus 1.14% (2007: LIBOR plus 0.84%).

**10 SHARE CAPITAL**

	2008 £	2007 £
<b>AUTHORISED</b>		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
	<u>5,000</u>	<u>5,000</u>

**11 OTHER RESERVES**

	2008 £	2007 £
Other Reserves	<u>20,000</u>	<u>-</u>
	<u>20,000</u>	<u>-</u>

The former parent, Macquarie International Ltd, made an additional capital contribution of £20,000 during the year.

**12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	2008 £	2007 £
Opening shareholder's funds	784	2,697
Movements in other reserves	20,000	-
Retained profit for the year	(7,600)	(1,913)
Closing shareholder's funds	<u>13,184</u>	<u>784</u>

**MEIF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008  
(CONTINUED)****13 ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking and controlling party of MEIF (UK) Limited, which is the parent undertaking of the largest group to prepare consolidated financial statements, is Macquarie Group Limited, a company incorporated in Australia. Copies of group 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.

**14 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 13.

**15 CASH FLOW STATEMENT**

The Company was a wholly owned subsidiary within the Macquarie Group Limited 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).