

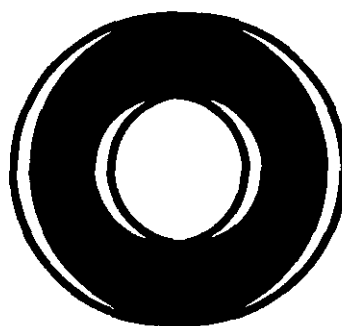
Company Registration Number: 4866246

MEIF (UK) LIMITED

(previously Allowrealm Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD
14 AUGUST 2003 TO 31 MARCH 2004**



MACQUARIE



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 14 AUGUST 2003 TO 31 MARCH 2004**

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MEIF (UK) LIMITEDCompany Number 4866246

GENERAL INFORMATION**Directors**

Luciene James Limited	(appointed 14 August 2003)	(resigned 27 October 2003)
Abogado Nominees Limited	(appointed 27 October 2003)	(resigned 27 October 2003)
Abogado Custodians Limited	(appointed 27 October 2003)	(resigned 27 October 2003)
J S Craig	(appointed 27 October 2003)	
S Baron	(appointed 27 October 2003)	(resigned 14 July 2004)
S J M Brooker	(appointed 27 October 2003)	

Secretary

The Company Registration Agents	(appointed 14 August 2003)	(resigned 27 October 2003)
Abogado Nominees Limited	(appointed 27 October 2003)	(resigned 27 October 2003)
A P Helps	(appointed 27 October 2003)	

Registered Office

Level 30
CityPoint
1 Ropemaker Street
London EC2Y 9HD

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Company number: 4866246

MEIF (UK) LIMITEDCompany Number 4866246

DIRECTORS' REPORT

The directors present their report and financial statements for MEIF (UK) Limited ("the Company") for the period 14 August 2003 to 31 March 2004 ("the Period").

PRINCIPAL ACTIVITIES & REVIEW OF THE BUSINESS

The principal activity of the Company is to act as General Partner to the Macquarie European Infrastructure Fund LP ("MEIF LP"), and act as a holding company for companies to be transferred into the MEIF LP group.

Following the end of the Period, the Company resigned as General Partner to MEIF LP and transferred its interest in the partnership to the new General Partner, MEIF Guernsey GP Limited. The Company has also divested of all shares held in subsidiary undertakings and is now dormant.

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

The Company is a wholly owned subsidiary of Macquarie International Limited, an entity incorporated in England and Wales.

On 27 October 2003, the Company changed its name from Allowrealm Limited to MEIF (UK) Limited.

RESULTS AND DIVIDENDS

The Company's profit for the Period was £136. No dividend is proposed.

DIRECTORS AND THEIR INTERESTS

The directors holding office during the Period were as follows:

Luciene James Limited	(appointed 14 August 2003)	(resigned 27 October 2003)
Abogado Nominees Limited	(appointed 27 October 2003)	(resigned 27 October 2003)
Abogado Custodians Limited	(appointed 27 October 2003)	(resigned 27 October 2003)
J S Craig	(appointed 27 October 2003)	
S Baron	(appointed 27 October 2003)	(resigned 14 July 2004)
S J M Brooker	(appointed 27 October 2003)	

Luciene James Limited held the one ordinary share on 14 August 2003. The share was transferred to Abogado Nominees Limited during the Period; and, subsequently, to Macquarie International Limited. None of the other directors had an interest in the shares or any material contract with the Company during the Period.

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.

MEIF (UK) LIMITEDCompany Number 4866246

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

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

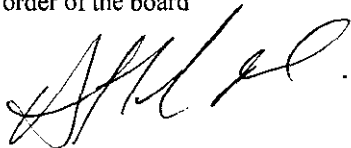
The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that 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

The directors appointed PricewaterhouseCoopers LLP as auditors on 25 January 2005.

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



A P Helps
Secretary

25 January 2005

MEIF (UK) LIMITED

Company Number 4866246

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

We have audited the financial statements, which comprise of the profit and loss account, balance sheet and related notes on pages 5 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the general information and the directors' report.

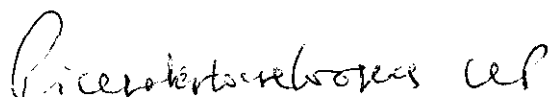
Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 2004 and of its profit for the period 14 August 2003 to 31 March 2004 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
25 January 2005

MEIF (UK) LIMITED

Company Number 4866246

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £
FIXED ASSETS		
Investments	6	<u>17,056</u>
		17,056
CURRENT ASSETS		
Debtors	7	<u>4,231</u>
		4,231
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(21,150)
NET CURRENT LIABILITIES		<u>(16,919)</u>
TOTAL NET ASSETS		<u>137</u>
CAPITAL AND RESERVES		
Called up share capital	9	1
Profit and loss account		<u>136</u>
SHAREHOLDERS' FUNDS	10	<u>137</u>

The notes on pages 7 to 11 form part of these financial statements.

The financial statements on pages 5 to 11 were approved by the board of directors on 25 January 2005 and were signed on its behalf by:



S J M Brooker
Director

MEIF (UK) LIMITEDCompany Number 4866246

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 14 AUGUST 2003 TO 31 MARCH 2004**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention in accordance with Schedule 4 to the Companies Act 1985 and with applicable accounting standards.

The particular policies adopted are described below as follows:

a) Exemption from consolidation

The financial statements contain information about MEIF (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company's subsidiaries, Macquarie Luxembourg Water Sarl and MEIF Luxembourg Feeder Sarl, are both being held exclusively for resale and have not been consolidated.

b) Other operating (charges)/income

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

c) 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.*

d) Interest

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

e) Taxation

The charge for taxation is based on the profit for the Period.

f) Investments

Investments are recorded at cost. 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 recoverable amount.

Investments in foreign subsidiaries are recorded at cost and translated to sterling in the financial statements using the historical foreign exchange rate applicable at the date of acquisition or incorporation.

MEIF (UK) LIMITED

Company Number 4866246

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 14 AUGUST 2003 TO 31 MARCH 2004

	Notes	2004 £
Turnover		-
		-
Other operating charges		(134)
OPERATING LOSS		(134)
Profit on sale of subsidiary undertakings	6	329
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	195
Tax on profit on ordinary activities	4	(59)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		136
RETAINED PROFIT BROUGHT FORWARD		-
RETAINED PROFIT CARRIED FORWARD		136

There is no difference between the profit on ordinary activities before taxation and the retained profit for the Period stated above and their historical cost equivalents.

A statement of total recognised gains and losses has not been provided as all gains and losses are dealt with in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

MEIF (UK) LIMITED

Company Number 4866246

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 14 AUGUST 2003 TO 31 MARCH 2004 (CONTINUED)**2. SEGMENTAL REPORTING**

All income and expenses of the Company are wholly generated within the United Kingdom and are derived or incurred as part of the Company's role as immediate parent undertaking of MEIF Luxembourg Holdings SA, MEIF Luxembourg Feeder Sarl and Macquarie Luxembourg Water Sarl.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2004 £
Foreign exchange losses	134

The Company's audit fee is borne by its ultimate parent undertaking.

The Company had no employees during the Period.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES**Analysis of tax charge for the Period**

	2004 £
Profit on ordinary activities before taxation	195
Current tax:	
UK corporation tax at 30%	59
Tax on profit on ordinary activities	59

5. DIRECTORS' REMUNERATION

All directors of the Company are directors of other members of the Macquarie Bank Limited group and it is considered that an insignificant amount of their time relates to the Company. Accordingly, no separate remuneration has been disclosed.

MEIF (UK) LIMITED

Company Number 4866246

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 14 AUGUST 2003 TO 31 MARCH 2004 (CONTINUED)**6. FIXED ASSET INVESTMENTS**

	2004 £
COST	
At 14 August 2003	-
Additions	38,239
Disposals	(21,183)
At 31 March 2004	<u>17,056</u>

Fixed asset investments comprises:

	2004 £
Cost and net book amount:	
Shares in subsidiary undertakings	17,049
Other investments	7
	<u>17,056</u>

MEIF Luxembourg Holdings SA

On 4 November 2003, the Company subscribed for 24,799 €1.25 ordinary shares in MEIF Luxembourg Holdings SA for a total consideration of €30,999 (£21,183). On 24 November 2003, the shares were transferred to MEIF LP for a total consideration of €30,999 (£21,512), which realised a profit on sale of £329.

Macquarie European Infrastructure Fund LP

On 13 November 2003, the Company became General Partner to the Macquarie European Infrastructure Fund LP by making a capital contribution of €10 (£7) to the Partnership. On 7 April 2004, the Company retired as General Partner and assigned MEIF Guernsey GP Limited, the new General Partner, its interest in the partnership for a total consideration of €10 (£7). The Company did not receive any income for being General Partner.

MEIF Luxembourg Feeder Sarl

On 18 March 2004, the Company subscribed for 500 €25 ordinary shares in MEIF Luxembourg Feeder Sarl, which represents 100% of the issued capital, however it has not been consolidated as it is being held exclusively for resale. The total cost of the shares €12,625 (£8,525) have been included as a fixed asset investment. On 23 April 2004, the shares were transferred to Dexia Credit Local.

Macquarie Luxembourg Water Sarl

On 18 March 2004, the Company subscribed for 500 €25 ordinary shares in Macquarie Luxembourg Water Sarl, which represents 100% of the issued capital, however it has not been consolidated as it is being held exclusively for resale. The total cost of the shares €12,625 (£8,524) have been included as a fixed asset investment. On 30 April 2004, the shares were transferred to MEIF Luxembourg Holdings SA, CDP and Alberta Revenue.

MEIF (UK) LIMITED

Company Number 4866246

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 14 AUGUST 2003 TO 31 MARCH 2004 (CONTINUED)**7. DEBTORS**

	2004 £
Amounts owed by immediate parent undertaking	1
Amounts owed by subsidiary undertakings	4,230
	<u>4,231</u>

Amounts owed by the immediate parent undertaking, which is incorporated in England and Wales, are unsecured and have no fixed date of repayment. The amount relates to allotted called share capital.

Amounts owed by subsidiary undertakings, which is incorporated in Luxembourg, are unsecured and have no fixed date of repayment.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £
Taxation	59
Amounts owed to ultimate parent undertaking	22,091
	<u>22,150</u>

Amounts owed to the ultimate parent undertaking are owed to the London branch of the ultimate parent undertaking, are not interest bearing, unsecured and have no fixed date of repayment.

9. SHARE CAPITAL

	2004 £
AUTHORISED	
1,000 ordinary shares of £1 each	<u>1,000</u>
ALLOTTED, CALLED UP AND NOT PAID	
1 ordinary share of £1 each	<u>1</u>

MEIF (UK) LIMITED

Company Number 4866246

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 14 AUGUST 2003 TO 31 MARCH 2004 (CONTINUED)**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £
Opening shareholders' funds	-
Net proceeds of issue of ordinary share capital	1
Retained profit for the Period	136
Closing shareholders' funds	<u>137</u>

11. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the Company is Macquarie International Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party of the Company, Macquarie Bank Limited, a company incorporated in Australia. Copies of group financial statements for Macquarie Bank Limited can be obtained from the Company Secretary, Level 15, No. 1 Martin Place, Sydney, New South Wales, 2000, Australia.

12. RELATED PARTY TRANSACTIONS

As 100% of the voting rights of the Company are controlled within the group headed by Macquarie Bank 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 Bank Limited group. The consolidated financial statements of Macquarie Bank Limited, within which the Company is included, can be obtained from the address given in Note 11.

13. CASH FLOW STATEMENT

The Company was a wholly owned subsidiary within the Macquarie Bank Limited group throughout the Period and is included in the consolidated financial statements of Macquarie Bank 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).