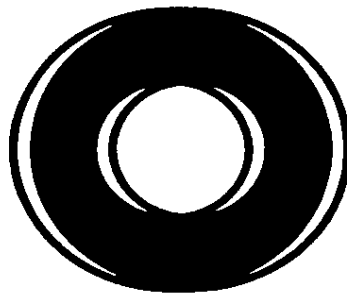


Company Registration Number: 4921203

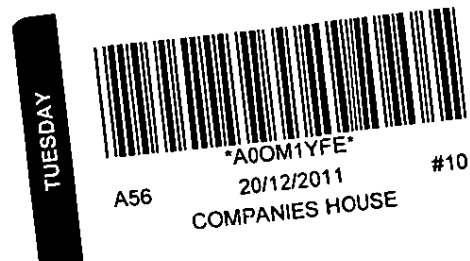
**MACQUARIE METERS 1 (UK) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2011**



**MACQUARIE**



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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**GENERAL INFORMATION****Directors**

G Farrell  
G Seth  
R Tallentire  
L Tricarico  
J Wilson

G Seth (alternate for G Farrell)

**Secretaries**

E Doornenbal (appointed 25 June 2010)  
J Greenfield  
D Tan (resigned 25 June 2010)

**Registered office**

Ropemaker Place  
28 Ropemaker Street  
London, United Kingdom  
EC2Y 9HD

**Chartered Accountants and Statutory Auditors**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London, United Kingdom  
SE1 2RT

**Company Number** 4921203

**DIRECTORS' REPORT**

The directors present their report and the audited financial statements for Macquarie Meters 1 (UK) Limited ("the Company") for the year ended 31 March 2011

**PRINCIPAL ACTIVITIES**

The Company acts as an investment holding company for Capital Meters Holding Limited ("CMHL")

In the opinion of the directors, there were no significant changes to the principal activities of the Company during the financial year under review not otherwise disclosed in this report

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

On 15 October 2010, the Company invested a further £694,575 in CMHL in the form of £694,575 in loan notes issued at par, and redeemed £270,632 of loan notes in CMHL

On 15 October 2010, the Company declared and paid an interim dividend of £1,050,107 to the Company's sole shareholder, Macquarie Leasing (UK) Limited. The dividend was made out of profits available for distribution

On 31 January 2011, the Company invested a further £336,638 in CMHL in the form of £336,638 in loan notes issued at par

On 31 January 2011, the Company declared and paid an interim dividend of £360,242 to the Company's sole shareholder, Macquarie Leasing (UK) Limited. The dividend was made out of profits available for distribution

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

**POST BALANCE SHEET DATE EVENTS**

On 4 April 2011, the Company invested a further £1,296,000 in CMHL in the form of £1,296,000 in loan notes issued at par. Following this, the Company holds £2,327,213 of loan notes in CMHL

The Directors are not aware of any further 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 2011 not otherwise disclosed in this report

**RESULTS AND DIVIDENDS**

The Company's profit after tax for the financial year was £1,254,605 (2010 £1,444,733)

During the year, interim dividends of £1,050,107 (2010 £700,000) and £360,242 (2010 £717,868) were paid on 15 October 2010 and 31 January 2011 respectively

**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 14

**DIRECTORS' REPORT (CONTINUED)****KEY PERFORMANCE INDICATORS ("KPIs")**

Given the straightforward nature of the business and the information provided elsewhere in this report, the directors are of the opinion that the production of KPIs in the Directors' Report is not necessary for an understanding of the development, performance or position of the business. KPIs are monitored at the Macquarie Group level.

**FINANCIAL RISK MANAGEMENT**

The Company is not directly exposed to any significant financial risks other than the carrying value of its investment in its subsidiary CMHL. This includes any effects of changes in credit risk, liquidity risk, interest rate risk and foreign exchange risk. The Company, however, 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 instruments to manage interest rate costs and, as such, no hedge accounting is applied.

**DIRECTORS**

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

G Farrell  
G Seth  
R Tallentire  
L Tricarico  
J Wilson

G Seth (alternate for G Farrell)

**CREDITORS' PAYMENT POLICY**

It is the Company's policy to agree the terms of payment to creditors at the start of business with that supplier, ensure that suppliers are aware of the terms of payment and to pay in accordance with its contractual and other legal obligations.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Act 2006 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

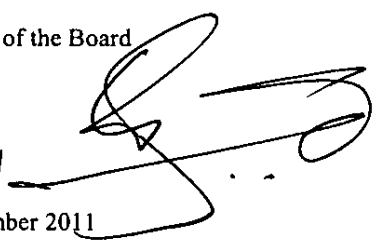
**DIRECTORS' REPORT (CONTINUED)****AUDITORS**

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

G. SETH  
Director

14 December 2011



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MACQUARIE METERS 1 (UK) LIMITED**

We have audited the financial statements of Macquarie Meters 1 (UK) Limited for the year ended 31 March 2011 which comprises the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Craig Stafford (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

15 December 2011

**MACQUARIE METERS 1 (UK) LIMITED****COMPANY NUMBER 4921203****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	2010 £
<b>Turnover</b>	1	1,410,349	1,427,160
Administrative expenses		<u>(6,883)</u>	<u>(6,178)</u>
		1,403,466	1,420,982
Other operating charges		<u>3,764</u>	<u>(1,238)</u>
<b>OPERATING PROFIT</b>		1,407,230	1,419,744
Interest receivable and similar income	3	87,886	42,121
Interest payable and similar charges	4	<u>(301,078)</u>	<u>(10,298)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	1,194,038	1,451,567
Tax on Profit on ordinary activities	6	60,567	(6,834)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>1,254,605</u>	<u>1,444,733</u>

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

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

There are no other recognised gains or losses other than the above and therefore no separate statement of total recognised gains and losses has been prepared

The notes on pages 10 to 15 form part of these financial statements

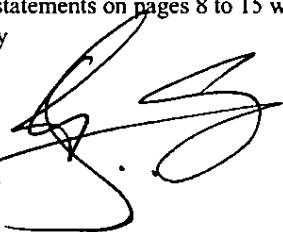
## BALANCE SHEET AS AT 31 MARCH 2011

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Investments	8	<u>5,713,962</u>	<u>5,713,962</u>
<b>CURRENT ASSETS</b>			
Investments	9	1,031,213	270,632
Debtors	10	<u>62,878</u>	<u>558</u>
		<u>1,094,091</u>	<u>271,190</u>
<b>CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	11	(6,143,582)	(5,164,937)
<b>NET CURRENT LIABILITIES</b>		<u>(5,049,491)</u>	<u>(4,893,747)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		664,471	820,215
<b>NET ASSETS</b>		<u>664,471</u>	<u>820,215</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	600,404	600,404
Profit and loss account		<u>64,067</u>	<u>219,811</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	13	<u>664,471</u>	<u>820,215</u>

The notes on pages 10 to 15 form part of these financial statements

The financial statements on pages 8 to 15 were approved by the board of directors on 14 December 2011 and were signed on its behalf by

G. SETH  
Director



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011****1 ACCOUNTING POLICIES**

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

The financial statements contain information about Macquarie Meters 1 (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 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its ultimate parent Macquarie Group Limited, a company incorporated in Australia.

The particular policies adopted are described below as follows

**a) TURNOVER**

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

**b) OTHER OPERATING CHARGES**

Net losses arising from foreign currency transactions are accounted for as other operating charges

**c) INTEREST**

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

Interest receivable from and payable to other Macquarie group entities has been disclosed on a gross basis in the profit and loss account. The balance sheet has been disclosed on a net basis as there is a legal right of set off and an intention to settle net or simultaneously

**d) TAXATION AND DEFERRED TAXATION**

Taxation is based on the profit for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided fully in respect of all timing differences between the accounting and tax treatment of income and expenses, at the reporting date, the anticipated reversal of which will result in a change in the future liability to tax. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises based on current tax rates and law and is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

**e) INVESTMENTS**

Investments in subsidiaries 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 recoverable amount. The impairment of fixed asset investments is recognised as an expense in the profit and loss account.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### f) IMPAIRMENT OF INVESTMENTS

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') that occur after the initial recognition of the asset and that loss event, or events, has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

#### g) 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.

#### h) DIVIDENDS

Dividend income is recognised when the proceeds are received from investments. For holding companies, dividend income is classified as turnover.

#### i) COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### 2 SEGMENTAL REPORTING

The Company was a wholly owned subsidiary within the Macquarie Group throughout the year and is included in the consolidated financial statements of Macquarie Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a segmental reporting note under the terms of SSAP 25.

### 3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £	2010 £
Interest receivable from other Macquarie Group undertakings	<u>87,886</u>	<u>42,121</u>

### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Interest payable to other Macquarie Group undertakings	<u>301,078</u>	<u>10,298</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

## 5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	2011 £	2010 £
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company	<u>4,500</u>	<u>3,060</u>

The Company had no employees during the year (2010 nil)

## 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax (credit)/charge for the year

	2011 £	2010 £
Current tax		
UK corporation tax at 28% (2010 28%)	<u>(60,567)</u>	<u>6,834</u>
Total current tax	<u>(60,567)</u>	<u>6,834</u>
Tax on profit on ordinary activities	<u>(60,567)</u>	<u>6,834</u>

Factors affecting tax (credit)/charge for the year

The taxation credit for the year ended 31 March 2011 is higher than (2010 charge lower than) the standard rate of corporation tax in the United Kingdom of 28% (2010 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before taxation	1,194,038	1,451,567
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 28% (2010 28%)	(334,331)	(406,439)
Effects of		
Income not assessable for tax purposes	<u>394,898</u>	<u>399,605</u>
	<u>60,567</u>	<u>(6,834)</u>

Finance Act (No 2) 2010 envisaged that the UK corporation tax rate be reduced from 28% to 27%, however subsequently Finance Bill 2011 included a provision to reduce the UK corporation tax rate from 27% to 26% effective from 1 April 2011 and this was substantively enacted on 29 March 2011. The Bill also included a further reduction in the UK corporation tax rate to 25% effective from 1 April 2012, however this was not substantively enacted until 5 July 2011. It is proposed that the UK corporation tax rate will be reduced by one percentage point

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

## 7 DIRECTORS' REMUNERATION

During 2010 and 2011 all directors were employed by, and received all emoluments from, other Macquarie Group undertakings. The directors perform director duties for multiple entities in the Macquarie Group, as well as their employment duties within Macquarie Group businesses. Consequently, allocating their employment compensation across all these duties would mean any amounts allocated to their director duties for the Company would be an immaterial nominal amount. Accordingly, no separate remuneration has been disclosed.

## 8 FIXED ASSET INVESTMENTS

	Ownership %	2011 £	Ownership %	2010 £
<b>Capital Meters Holdings Limited ("CMHL")</b>				
Ordinary shares	60	<u>5,713,962</u>	60	<u>5,713,962</u>
			2011 £	2010 £
<b>COST</b>				
At 1 April			5,713,962	600,404
Additions			-	5,113,558
At 31 March			<u>5,713,962</u>	<u>5,713,962</u>

As at 31 March 2011, the Company owns 60% of the share capital of CMHL, a Macquarie Group undertaking and a United Kingdom tax resident company incorporated in England and Wales. On 30 June 2010, 600,404 'A' Class ordinary shares and 300,202 'C' Class ordinary shares each at GBP 1 per share held by the Company were converted to ordinary shares. As at 31 March 2011, the Company holds 900,606 ordinary shares at GBP 1 per share.

## 9 INVESTMENTS

	2011 £	2010 £
Loan notes	<u>1,031,213</u>	<u>270,632</u>

As at 31 March 2011, the Company holds £1,031,213 (2010: £270,632) of loan notes in CMHL.

On 15 October 2010, the Company invested a further £694,575 in CMHL in the form of £694,575 in loan notes issued at par, and redeemed £270,632 of loan notes in CMHL.

On 31 January 2011, the Company invested a further £336,638 in CMHL in the form of £336,638 in loan notes issued at par.

The Company derives interest on loan notes at 16.5% per annum (2010: 16.5%). Interest is non-cumulative and only payable by CMHL to the extent that funds are available to pay the interest accrued. Loan notes can be redeemed by CMHL with up to 30 days' notice to the Company.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

## 10 DEBTORS

	2011 £	2010 £
Taxation	60,567	-
Amounts due from Macquarie Group undertakings	2,311	558
	<u>62,878</u>	<u>558</u>

Amounts owed by other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans at market rates and at 31 March 2011 the rate applied ranged between LIBOR plus 0.60% and LIBOR plus 1.82% (2010: LIBOR plus 0.66% and LIBOR plus 1.84%).

## 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Amounts owed to Macquarie Group undertakings	6,143,560	5,158,052
Taxation	22	6,885
	<u>6,143,582</u>	<u>5,164,937</u>

Amounts owed to Macquarie Group undertakings include a loan from Macquarie Bank Limited, London Branch. The loan is unsecured, has no fixed date of repayment and is repayable on demand. Interest was payable at 5.47% for the year ended 31 March 2011 (2010: 5.47%).

Amounts owed to other Macquarie Group undertakings are unsecured and have no fixed date of repayment. The Company derives interest on intercompany loans at market rates and at 31 March 2011 the rate applied was LIBOR plus 1.82% (2010: LIBOR plus 1.79%).

## 12 CALLED UP SHARE CAPITAL

	2011 £	2010 £
<b>ALLOTTED AND FULLY PAID</b>		
600,404 (2010: 600,404) ordinary shares of GBP 1 each	<u>600,404</u>	<u>600,404</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

## 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2011 £	2010 £
Opening shareholders' funds	820,215	793,350
Profit for the year	1,254,605	1,444,733
Dividends paid	(1,410,349)	(1,417,868)
Closing shareholders' funds	<u>664,471</u>	<u>820,215</u>

## 14 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the Company is Macquarie Leasing (UK) Limited

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

## 15 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 14

## 16 CASH FLOW STATEMENT

The Company was a wholly owned subsidiary within the Macquarie Group throughout the year and is included in the consolidated financial statements of Macquarie Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of the FRS 1 (revised 1996)

## 17 POST BALANCE SHEET DATE EVENTS

On 4 April 2011, the Company invested a further £1,296,000 in CMHL in the form of £1,296,000 in loan notes issued at par. Following this, the Company holds £2,327,213 of loan notes in CMHL.

There were no further material post balance sheet events occurring after reporting date requiring disclosure in these financial statements