

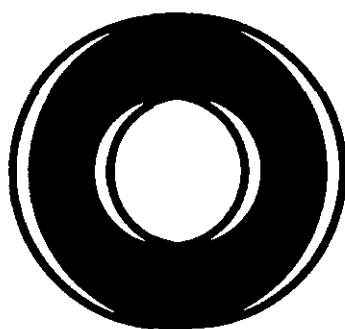
Company Registration Number : 4921203

MACQUARIE METERS 1 (UK) LIMITED

(formerly Amrexco Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD
3 OCTOBER 2003 TO 31 MARCH 2005**



MACQUARIE



MACQUARIE METERS 1 (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 3 OCTOBER 2003 TO 31 MARCH 2005

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MACQUARIE METERS 1 (UK) LIMITED

GENERAL INFORMATION

Directors

Luciene James Limited	(appointed 3 October 2003)	(resigned 6 November 2003)
Abogado Nominees Limited	(appointed 6 November 2003)	(resigned 10 November 2003)
Abogado Custodians Limited	(appointed 6 November 2003)	(resigned 10 November 2003)
A Hunter	(appointed 10 November 2003)	(resigned 7 May 2004)
Y Dee	(appointed 10 November 2003)	(resigned 31 May 2004)
J Craig	(appointed 10 November 2003)	
G Farrell	(appointed 7 May 2004)	
J Wilson	(appointed 7 May 2004)	

Secretary

The Company Registration Agents Limited	(appointed 3 October 2003)	(resigned 6 November 2003)
Abogado Nominees Limited	(appointed 6 November 2003)	(resigned 10 November 2003)
Robert Tallentire	(appointed 10 November 2003)	

Registered Office

Level 30
CityPoint
1 Ropemaker Street
London EC2Y 9HD

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Company number: 4921203

MACQUARIE METERS 1 (UK) LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for Macquarie Meters 1 (UK) Limited ("the Company") for the period 3 October 2003 to 31 March 2005.

PRINCIPAL ACTIVITIES

On 10 November 2003, the Company changed its name from Amrexco Limited to Macquarie Meters 1 (UK) Limited.

During the financial period the Company commenced operating the business of an investment holding company.

The Company itself is wholly owned by Macquarie Leasing (UK) Limited, an entity incorporated in England and Wales.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

On 1 December 2003, the Company invested £2 in Capital Meters Holdings Limited in the form of £2 in ordinary shares. The investment was funded by way of 2 ordinary shares issued to Macquarie Leasing (UK) Limited at £1 each. On 8 December 2003, the Company invested a further £327,998 in Capital Meters Holdings Limited in the form of £81,998 in ordinary shares and £246,000 in loan notes issued at par. The investment was funded by way of 81,998 ordinary shares issued to Macquarie Leasing (UK) Limited at £1 each and by way of a loan from Macquarie Bank Limited, London Branch.

On 27 May 2005, the Company invested a further £244,914 in Capital Meters Holdings Limited in the form of £61,229 in ordinary shares and £183,685 in loan notes issued at par. The investment was funded by way of 61,229 ordinary shares issued to Macquarie Leasing (UK) Limited at £1 each and by way of a loan from Macquarie Bank Limited, London Branch.

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

RESULTS AND DIVIDENDS

The Company's loss after tax for the period was £1,964. No dividend is proposed.

DIRECTORS AND THEIR INTERESTS

The directors holding office during the period were as follows:

Luciene James Limited	(appointed 3 October 2003)	(resigned 6 November 2003)
Abogado Nominees Limited	(appointed 6 November 2003)	(resigned 10 November 2003)
Abogado Custodians Limited	(appointed 6 November 2003)	(resigned 10 November 2003)
A Hunter	(appointed 10 November 2003)	(resigned 7 May 2004)
Y Dee	(appointed 10 November 2003)	(resigned 31 May 2004)
J Craig	(appointed 10 November 2003)	
G Farrell	(appointed 7 May 2004)	
J Wilson	(appointed 7 May 2004)	

Luciene James Limited held the one ordinary share on 3 October 2003. The share was transferred to Abogado Nominees Limited during the period; and, subsequently, to Macquarie Leasing (UK) Limited. None of the other directors had an interest in the shares or any material contract with the Company during the period.

MACQUARIE METERS 1 (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)**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.

AUDITORS

PricewaterhouseCoopers LLP have been appointed as auditors of the Company.

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.

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.

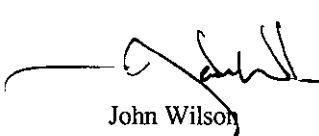
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 at the end of the financial year and of the profit or loss 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.

By order of the board



John Wilson
Director

24 August 2005

MACQUARIE METERS 1 (UK) LIMITED

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

We have audited the financial statements which comprises 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.

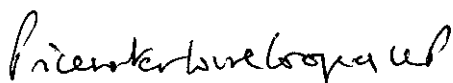
Basis of audit opinion

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 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

24 August 2005

MACQUARIE METERS 1 (UK) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE PERIOD
3 OCTOBER 2003 TO 31 MARCH 2005**

	Notes	Period from 3/10/2003 to 31/03/2005 £
Turnover		-
Administrative expenses		(2,004)
		(2,004)
Other operating income		40
OPERATING LOSS		(1,964)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(1,964)
Tax on loss on ordinary activities	4	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(1,964)
RETAINED LOSS BROUGHT FORWARD		-
RETAINED LOSS CARRIED FORWARD		(1,964)

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

There is no difference between the loss on ordinary activities before taxation and the retained loss 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.

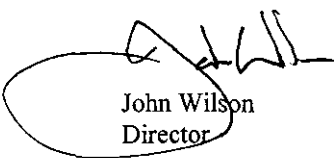
The notes on pages 7 to 11 form part of these financial statements.

MACQUARIE METERS 1 (UK) LIMITED**BALANCE SHEET AS AT 31 MARCH 2005**

	Notes	2005 £
FIXED ASSETS		
Investments	5	328,000
		<u>328,000</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(1,964)
		<u>326,036</u>
NET CURRENT ASSETS		
		<u>326,036</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	7	(246,000)
		<u>80,036</u>
TOTAL NET ASSETS		<u>80,036</u>
CAPITAL AND RESERVES		
Called up share capital	8	82,000
Profit and loss account		<u>(1,964)</u>
SHAREHOLDERS' FUNDS	9	<u>80,036</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 ___ August 2005 and were signed on its behalf by:



John Wilson
Director

MACQUARIE METERS 1 (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 3 OCTOBER 2003 TO 31 MARCH 2005

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 in the United Kingdom.

The particular policies adopted are described below as follows:

a) OTHER OPERATING (CHARGES)/INCOME

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

b) 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.

c) INTEREST

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

d) TAXATION AND DEFERRED TAXATION

The charge for taxation is based on the result 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 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) FIXED ASSET 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.

Fixed asset investments which, in the opinion of the directors, are not controlled by the Company, on account of the economic risks and rewards therein flowing to third parties, are accounted for as investments on a historical cost basis.

f) IMPAIRMENT

Tangible fixed asset investments are reviewed for impairment if there are events or changes in circumstances that indicate that the carrying values may not be recoverable.

MACQUARIE METERS 1 (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
3 OCTOBER 2003 TO 31 MARCH 2005 (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 of holding investments.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after (crediting)/charging:-

	Period from 3/10/2003 to 31/03/2005 £
Auditors' remuneration; Audit services	2,004

The Company had no employees during the period.

4. TAX ON LOSS ON ORDINARY ACTIVITIES**Analysis of tax charge for the period**

	Period from 3/10/2003 to 31/03/2005 £
Current tax:	
UK corporation tax at 30%	-
Adjustments to tax in respect of prior years	-
Total current tax	-
Deferred tax:	
Origination and reversal of timing differences	-
Adjustments to tax in respect of prior years	-
	-
Tax on loss on ordinary activities	-

MACQUARIE METERS 1 (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
3 OCTOBER 2003 TO 31 MARCH 2005 (CONTINUED)****4. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)****Factors affecting tax charge for the period**

	Period from 3/10/2003 to 31/03/2005 £
Loss on ordinary activities before taxation	(1,964)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30%	(589)
Effects of:	
Tax losses not utilised during the period	589
	<u>-</u>

The Company has a loss before tax for the period ended 31 March 2005 of £1,964 and a taxable loss of the same amount which at the current tax rate of 30% gives rise to a deferred tax asset of £589. Deferred tax assets should only be recognised where it can be regarded as more likely than not that there will be suitable taxable profits from which a future reversal of the underlying timing differences can be deducted.

5. FIXED ASSET INVESTMENTS

	2005 £
COST	
At 3 October 2003	-
Additions	328,000
Disposals	-
At 31 March 2005	<u>328,000</u>

The fixed asset investments disclosed above relate to the Company's holding of 82,000 £1 ordinary shares in Capital Meters Holdings Limited ("CMHL"), a United Kingdom tax resident company incorporated in England and Wales, and a £246,000 Loan Note issued by CMHL to the Company. The Company owns 40% of the ordinary share capital of CMHL.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £
Amounts owed to ultimate parent undertaking	1,964
	<u>1,964</u>

Amounts owed to the ultimate parent undertaking are unsecured and have no fixed date of repayment. No interest was payable for the period to 31 March 2005.

MACQUARIE METERS 1 (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
3 OCTOBER 2003 TO 31 MARCH 2005 (CONTINUED)****7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2005
	£
Amounts owed to ultimate parent undertaking	246,000
	<u>246,000</u>

Amounts owed to the ultimate parent undertaking represents a loan to fund the investment in CMHL Loan Notes (see Note 5). The loan is unsecured and has no fixed date of repayment. No interest was payable for the period to 31 March 2005.

8. SHARE CAPITAL

	2005
	£
AUTHORISED	
50,000,000 ordinary shares of £1 par each	<u>50,000,000</u>
ALLOTTED, CALLED UP AND PARTLY PAID	
82,000 ordinary shares of £1 each	<u>82,000</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period from 3/10/2003 to 31/03/2005 £
Opening shareholders' funds	-
Shares called during the period	82,000
Retained loss for the financial period	(1,964)
Closing shareholders' funds	<u>80,036</u>

10. 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.

MACQUARIE METERS 1 (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
3 OCTOBER 2003 TO 31 MARCH 2005 (CONTINUED)****11. ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking of the Company is Macquarie Leasing (UK) Limited, a company incorporated in England and Wales, which is the smallest group to prepare consolidated financial statements. Copies of group financial statements for Macquarie Leasing (UK) Limited can be obtained from the Company Secretary, Level 30, CityPoint, 1 Ropemaker Street, London, EC2Y 9HD.

The ultimate parent undertaking and controlling party of the Company, which is the parent undertaking of the largest group to prepare consolidated financial statements, is 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).