Macropolitan Limited

Registered number 05401565

Financial Statements

For the 15 month period ended 30 June 2008

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Directors' report and statement of Directors' responsibilities

The Directors of Macropolitan Limited ('the Company') submit the following report and audited financial statements in respect of the 15 month period ended 30 June 2008. The Company changed its accounting reference date to 30 June so that it would be co-terminus with its ultimate parent, Macquarie Communications Infrastructure Group.

Business review and principal activities

The Company is a UK site management company for emerging wireless technologies and aggregates sites.

The Company has a loss for the financial period of £579,000 (year to 31 March 2007 restated: £537,000). The Company has net liabilities of £721,000 (2007 restated: £142,000).

On 6 December 2007 the Company was acquired by Arqiva Limited, a company within the Macquarie UK Broadcast Holdings Limited group of companies ('the Group').

Principal risks and uncertainties facing the business

From the perspective of the Company, the principal risks and uncertainties arising from its activities are integrated with the principal risks and uncertainties of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Directors' report of the Macquarie UK Broadcast Holdings Limited consolidated financial statements, a copy of which can be obtained from the address given in note 16 to these financial statements.

Key performance indicators (KPIs)

Given the straightforward nature of the Company's activities, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company.

The KPIs of the Group are managed as a whole and are discussed within the Directors' report of the Macquarie UK Broadcast Holdings Limited consolidated financial statements.

Dividends and transfers to reserves

The Directors do not propose to pay a dividend on the ordinary shares for the period (2007: £nil). The loss for the period was transferred from reserves.

Future developments

It is the intention of the Company to continue operating as a UK site management company for emerging wireless technologies and aggregates sites.

Going concern

The Company is in a position of net liabilities and net current liabilities, however it continues to adopt the going concern basis in preparing its financial statements based upon the support from its parent undertakings, and the future cash flow forecasts of the Group, which lead the Directors of the Company to have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future.

Financial risk management

The Company's operations expose it to a variety of financial risks. The Company's overall risk management programme seeks to minimise potential adverse effects as noted below.

Price risk
The Company is not reliant on any commodity price fluctuations, hence there is no direct exposure to price risk.

Credit risk
The Company is not exposed to any significant credit risk.

Liquidity risk
All additional liquidity funding is arranged via inter-company loans, hence there is no direct exposure to liquidity risk.

Foreign exchange risk
The Company is based in the United Kingdom, reports in sterling and has minimal transactions in other currencies. Therefore foreign exchange risk is considered minimal.

Directors

The following persons held office as Directors of the Company during the period and up to the date of signing the financial statements:

— Peter Douglas	(appointed 6 December 2007)
— Thomas Bennie	(appointed 6 December 2007)
— Michael Pitt	(appointed 24 June 2008)
— Peter Harbison	(appointed 6 December 2007, resigned 12 May 2008)
— Jason Carver	(resigned 6 December 2007)
— Richard Greco	(resigned 6 December 2007)
— John Hare	(resigned 6 December 2007)
— Ryan Jarvis	(resigned 6 December 2007)
— Kevin Fallon	(resigned 6 December 2007)

Provision of information to the Independent Auditors

The Directors of the Company in office at the date of approval of this report confirm that:

- so far as the Directors are aware there is no relevant audit information of which the auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant information and to establish that the Company's auditors are aware of that information.

Directors' indemnities

The Group maintains liability insurance for its Directors and officers. Following shareholder approval, the Group has also provided an indemnity for its Directors and the Company Secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

Independent Auditors

PricewaterhouseCoopers LLP were appointed as auditors during the period and have indicated their willingness to continue in office.

Company Secretary

On 6 December 2007 John Hunt resigned as Company Secretary and Thomas O'Connor was appointed in his place.

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the Directors are required to:

— select suitable accounting policies and then apply them consistently;
— make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

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 that 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 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

TA O'Connor

Thomas O'Connor
Company Secretary
Crawley Court
Crawley
Winchester
Hampshire
SO21 2QA

27 March 2009

Independent Auditors' report to the members of Macropolitan Limited

We have audited the financial statements of Macropolitan Limited for the period ended 30 June 2008, which comprise of the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to 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 30 June 2008 and of its loss for the period 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

30 April 2009

Profit and Loss Account

	Note	Period ended 30 June 2008 £'000	Year ended 31 March 2007 (Restated) £'000
Continuing operations			
Turnover	3	39	11
Cost of sales		(127)	-
Gross (loss) / profit		**(88)**	**11**
Administrative expenses		(378)	(470)
Operating loss	4	**(466)**	**(459)**
Interest receivable and similar income	7	6	14
Interest payable and similar charges	8	(119)	(92)
Loss on ordinary activities before taxation		**(579)**	**(537)**
Tax on loss on ordinary activities	9	-	-
Loss for the financial period/year	14	**(579)**	**(537)**

There is no material difference between the loss for the period as disclosed and that calculated on an historical cost basis.

The prior period comparatives have been restated to record interest payable on the preference shares and to allocate the transaction costs in relation to the issue of the preference shares to the liability and equity components, as described in note 2.

Balance Sheet

	Note	30 June 2008 £'000	31 March 2007 (Restated) £'000
Fixed assets			
Tangible fixed assets	10	-	9
Current assets			
Debtors	11	-	1
Cash at bank		56	453
		56	**454**
Creditors: amounts falling due within one year	12	**(777)**	**(605)**
Net current liabilities		**(721)**	**(151)**
Net liabilities		**(721)**	**(142)**
Capital and reserves			
Share capital	13	395	395
Profit and loss account	14	(1,116)	(537)
Shareholders' deficit	15	**(721)**	**(142)**

The accounting policies and notes on pages 8 to 14 form part of these financial statements.

The prior period comparatives have been restated to record a liability for interest payable on the preference shares and to allocate the preference shares between a financial liability and equity component including the transaction costs in relation to the issue of the preference shares, as described in note 2.

These financial statements were approved by the Board of Directors on 27 March 2009 and were signed on its behalf by:

Michael Pitt
Director

Statement of Total Recognised Gains and Losses

	Period ended 30 June 2008 £'000	Year ended 31 March 2007 (Restated) £'000
Loss for the financial period/year	(579)	(537)
Total recognised losses for the period/year	**(579)**	**(537)**
Prior period adjustment (see note 2)	(26)	
Total recognised losses since last annual report	**(605)**	

Notes to the Financial Statements

1 Principal accounting policies

The following accounting policies have been applied consistently in relation to the Company's financial statements:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 1985, the enacted priorities of the Companies Act 2006, and applicable UK accounting standards (UK GAAP), under the historical cost convention.

In the preparation of these financial statements, the comparative disclosures have been expanded from those given in the abbreviated financial statements filed at Companies House for the year ended 31 March 2007.

(b) Going concern

The Company is in a position of net liabilities and net current liabilities, however it continues to adopt the going concern basis in preparing its financial statements based upon the support from its parent undertakings, and the future cash flow forecasts of the Group, which lead the Directors of the Company to have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future.

(c) Cash flow statement

The Company has taken advantage of the exemption under FRS 1 'Cash flow statements (Revised 1996)' not to prepare a cash flow statement as it is a subsidiary which is at least 90% controlled by the ultimate UK parent undertaking, Macquarie UK Broadcast Holdings Limited, which prepares a consolidated cash flow statement.

(d) Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

(e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at original purchase cost (which includes costs directly attributable to bringing the assets into working condition), less accumulated depreciation and any provision for impairment, in accordance with FRS 11 'Impairment of fixed assets and goodwill'.

Depreciation is provided on a straight line basis at rates calculated to write off the cost or valued amount, less estimated residual value, of assets over their estimated useful economic lives. The useful economic lives of the assets have been determined taking into account the expected rate of technological developments, market requirements and expected use of the assets. The selected depreciation rates are regularly reviewed to ensure they remain appropriate to the Company's circumstances.

Asset Description	Estimated Useful Life
- Software and database development	10 years

The profit or loss on disposal of a tangible fixed asset is accounted for in the profit and loss account of the period in which the disposal occurs as the difference between the net sale proceeds and the carrying amount.

(f) Taxation and deferred taxation

The charge for taxation is based on the result for the period 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 using the liability method for timing differences where there is an obligation to pay more tax, or a right to pay less tax, in the future. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises based on current tax rates and laws that have been enacted or substantively enacted at the balance sheet date. A deferred tax asset is regarded as recoverable and therefore recognised only when it is more likely than not that there will be sufficient taxable profits against which to recover carried forward tax losses and from which the future reversal of timing differences can be deducted. Deferred tax is measured on an undiscounted basis.

(g) Interest

Interest income and expense are accounted for on an accruals basis and comprise amounts receivable and payable on deposits and borrowings respectively.

(h) Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form, in accordance with FRS 25 'Financial instruments: disclosure and presentation'.

2 Prior period adjustment

The preference shares in issue carry a cumulative 10% coupon, are convertible to ordinary shares at the option of the holder and carry the right to receive notice of, attend and vote at any general meeting of the Company. The preference shares have previously been included within share capital.

Applying FRS 25 'Financial instruments: disclosure and presentation' the preference shares are considered a compound instrument consisting of a host debt instrument with an embedded derivative, which represents a written call option on a fixed number of the Company's ordinary shares.

Accordingly, a prior period adjustment has been made to allocate the preference shares between a financial liability and equity component within these financial statements. The transaction costs relating to the issue of the preference shares are allocated to the liability and equity components in proportion to the allocation of proceeds between the financial liability and equity component. Additionally, the 10% cumulative coupon payable on the preference shares is treated as an interest payment and is recognised as a creditor within these financial statements.

The impact of this adjustment is to recognise an interest expense of £119,000 (2007: £92,000) and to allocate the transaction costs to the financial liability and equity component removing the expense from the profit and loss account of £nil (2007: £66,000). The impact upon the balance sheet is to reduce net assets by £704,000 (2007: £585,000).

3 Turnover

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

4 Operating loss

The operating loss is stated after charging:

	Period ended 30 June 2008 £'000	Year ended 31 March 2007 £'000
Depreciation of owned fixed assets	-	1
Loss on disposal of fixed assets	9	-

The Company audit fee for the period was borne by Arqiva Limited (2007: £nil). There were no non-audit fees incurred during the year (2007: £nil).

5 Staff costs

The weighted average number of persons employed by the Company during the period was 2 (2007: 4).

The aggregate payroll costs of these persons were as follows:

	Period ended 30 June 2008 £'000	Year ended 31 March 2007 £'000
Wages and salaries	282	339
Social security costs	33	41
Total staff costs	**315**	**380**

6 Directors' emoluments

	Period ended 30 June 2008 £'000	Year ended 31 March 2007 £'000
Aggregate emoluments	195	232
Amounts paid to third parties in respect of Directors services	-	25
Total Directors' emoluments	**195**	**257**

Highest paid Director

	Period ended 30 June 2008 £'000	Year ended 31 March 2007 £'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	91	105

Certain Directors (2007: none) are employees of Arqiva Limited, a Group company. There are no recharges (2007: £nil) made to the Company in respect of any remuneration for any of these Directors as their duties in respect of the Company are incidental to their normal duties on behalf of their employer company.

7 Interest receivable and similar income

	Period ended 30 June 2008 £'000	Year ended 31 March 2007 £'000
Bank interest received	6	14
	6	**14**

8 Interest payable and similar charges

	Period ended 30 June 2008 £'000	Year ended 31 March 2007 (Restated) £'000
Interest payable on 10% cumulative preference shares	119	92
	119	**92**

The prior period comparatives have been restated to record interest payable on the preference shares, as described in note 2.

9 Tax on loss on ordinary activities

There is no current or deferred tax charge for the period.

	Period ended 30 June 2008	Year ended 31 March 2007 (Restated)
	£'000	£'000
Factors affecting the current tax charge for the period are as follows:		
Loss before taxation	(579)	(537)
Loss before taxation multiplied by standard rates of corporation tax in the United Kingdom of 28% (2007: 30%)	(162)	(161)
Losses carried forward to future periods	162	161
Current tax charge for the period/year	-	-

There is an unrecognised timing difference in respect of tax losses which are not anticipated to be utilised in the foreseeable future. Such losses could only be utilised if the company was to generate taxable profits in future years.

The average rate of UK corporation tax for the period ended 30 June 2008 was 29.6%, however, 28% has been utilised for the tax reconciliation as there is no current UK corporation tax liability and deferred tax would be recognised at a rate of 28%.

10 Tangible fixed assets

	Other fixed assets
	£'000
Cost	
At 1 April 2007	10
Disposals	(10)
At 30 June 2008	-
Depreciation	
At 1 April 2007	1
Disposals	(1)
At 30 June 2008	-
Net book value	
At 30 June 2008	-
At 31 March 2007	9

11 Debtors

	30 June 2008	31 March 2007
	£'000	£'000
Other debtors	-	1
Total debtors	-	1

The Directors consider that the fair value of debtors closely approximates to book value.

12 Creditors: amounts falling due within one year

	30 June 2008 £'000	31 March 2007 (Restated) £'000
Amounts owed to group undertakings	54	-
Accruals	19	20
Other creditors	211	92
Cumulative preference shares	530	530
Transaction costs on issue of preference shares	(37)	(37)
	493	493
Total creditors	**777**	**605**

Amounts owed to group undertakings are unsecured, interest free and repayable upon demand.

The prior period comparatives have been restated to allocate the preference shares between a financial liability and equity component including the transaction costs in relation to the issue of the preference shares, as described in note 2. The prior period comparatives have also been restated to record a liability for interest payable on the preference shares, as described in note 2.

13 Share capital

	Authorised 30 June 2008 £'000	Authorised 31 March 2007 £'000	Allotted, called up and fully paid 30 June 2008 £'000	Allotted, called up and fully paid 31 March 2007 (Restated) £'000
2,500,000 allotted, called up and fully paid				
Ordinary shares of £0.00004 each	-	-	-	-
953,500 allotted, called up and fully paid				
10% cumulative preference shares of £1 each	954	954	954	954
Amounts treated as a financial liability			(493)	(493)
Transaction costs on issue of preference shares			(66)	(66)
			395	395
	954	**954**	**395**	**395**

13 Share capital (continued)

Ordinary shares
2,500,000 of the 4,000,000 authorised ordinary shares of £0.00004 are allotted, called up and fully paid.

Preference shares
On 13 April 2006 the Company issued the total 953,500 authorised preference shares of £1 each, at par.

The preference shares carry a fixed cumulative preferential dividend at the annual rate of 10%, are convertible to ordinary shares at the option of the holder and carry the right to receive notice of, attend and vote at any general meeting of the Company.

On a return of capital on a winding up, the Company's assets available for distribution amongst the members shall be applied to paying all arrears in preferential dividends, in paying preference shareholders an amount equal to the subscription price and the balance of assets amongst the ordinary and preference shareholders pari passu.

The prior period comparatives have been restated to allocate the preference shares between a financial liability and equity component including the transaction costs in relation to the issue of the preference shares, as described in note 2.

14 Profit and loss account

	Profit and loss account £'000
At 1 April 2007 as previously stated	(511)
Prior period adjustment (see note 2)	(26)
At 1 April 2007 as restated	(537)
Loss for the financial period	(579)
At 30 June 2008	**(1,116)**

15 Reconciliation of movements in shareholders' deficit

	30 June 2008 £'000	31 March 2007 (Restated) £'000
Loss for the financial period/year	(579)	(537)
Equity element of preference share capital subscribed (net of transaction costs)	-	395
Net deduction from shareholders' deficit	(579)	(142)
Opening shareholders' funds as previously stated	443	-
Prior period adjustment – share capital (see note 2)	(559)	-
Prior period adjustment – restatement of profit and loss account (see note 2)	(26)	-
Opening shareholders' deficit as restated	(142)	-
Closing shareholders' deficit	**(721)**	**(142)**

16 Immediate parent company and controlling party

The Company's immediate parent undertaking is Arqiva Limited a company incorporated in England and Wales.

The ultimate UK parent undertaking is Macquarie UK Broadcast Holdings Limited. The parent of the smallest group to consolidate these financial statements is Macquarie UK Broadcast Ventures Limited. Copies of the consolidated financial statements of these companies can be obtained from the Company Secretary at Crawley Court, Winchester, SO21 2QA.

The ultimate parent undertaking is Macquarie Communications Infrastructure Trust which is the parent undertaking (for accounting purposes) of the largest group to consolidate the Company. Macquarie Communications Infrastructure Trust is one of the three stapled entities that forms Macquarie Communications Infrastructure Group ("MCG"), a listed security quoted on the Australian Securities Exchange (ASX code: MCG). One MCG stapled security comprises a unit in Macquarie Communications Infrastructure Trust, a share in Macquarie Communications Infrastructure Limited and a share in Macquarie MCG International Limited.

Copies of the MCG Financial Report can be obtained from 1 Martin Place, Sydney, NSW 2000, Australia or from the website www.macquarie.com.au/au/mcg.

17 Related party transactions

Prior to acquisition by the Group, on 6 December 2007 the Company sold a customer contract to Enclave Site Limited, a company controlled by the vendors of Macropolitan Limited, for consideration of £27,520.

The Company has taken advantage of the exemptions available under FRS 8 'Related party disclosures', for disclosure of transactions with entities that are part of the Group as related parties, within these financial statements.