

Company Number 03958461

**UTILITY GRID INSTALLATIONS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**



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## **UTILITY GRID INSTALLATIONS LIMITED**

Directors	N E SHAW, B Sc (Hons) C Eng, MIGEM  MRS D C MORGAN, F C A (resigned 31 October 2011)  C E LINSDELL, F C C A , M B A
Secretary	Simon Lee
Auditor	Deloitte LLP Cambridge United Kingdom
Registered Office	Energy House Woolpit Business Park Woolpit Bury St Edmunds Suffolk IP30 9UP

## **UTILITY GRID INSTALLATIONS LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2011**

The Directors submit their report and the audited financial statements for the year ended 31 December 2011. The comparative period is the period 1 July 2010 to 31 December 2010.

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

#### Principal activity and review of the business

The principal activity of the Company is the construction of gas distribution networks to housing and industrial developments. Once constructed, these networks are adopted by a fellow group undertaking and the Company is paid the agreed value for the adopted networks. From 1 May 2006 although the services provided by the Company have not changed, the income is received from GTC Pipelines Limited and the Company charges them for the services provided.

The accounts for the year ended 31 December 2011 show a loss after taxation of £203,011 (1 July 2010 to 31 December 2010: £161,811). Included in the financial statements is an exceptional profit amounting to £139,483 (1 July 2010 to 31 December 2010: Loss of £3,008) relating to the sale of the Company's assets to fellow group undertakings.

The Directors do not recommend the payment of a dividend (1 July 2010 to 31 December 2010: £nil). The Directors consider the state of the Company's affairs to be satisfactory.

The Directors expect the general activity of the Company to remain at a steady rate as the remaining connections in the order book are constructed.

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities next year.

#### Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1(a) of these financial statements.

#### Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### Directors

The names of the Directors who served the Company during the year and at the date of this report, unless otherwise stated, are given on page 1.

## UTILITY GRID INSTALLATIONS LIMITED

### REPORT OF THE DIRECTORS (continued)

#### Directors' responsibilities statement

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 year. 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) Under Company law the Directors must not approve the financial statements unless they are satisfied that they 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 year In preparing these financial statements, the Directors are required to

select suitable accounting policies and then apply them consistently,  
make judgments and estimates that are reasonable and prudent, and  
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 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

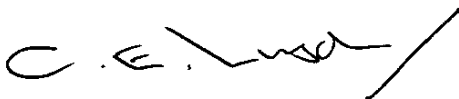
#### Directors' indemnities

The Company has made qualifying third party indemnity provision for the benefit of its Directors by way of Directors' and Officers' liability insurance This was in force during the financial year and remains in force at the date of this report

#### Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Signed on behalf of the Board of Directors



C E Linsdell  
Director  
25 April 2012

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UTILITY GRID INSTALLATIONS LIMITED**

We have audited the financial statements of Utility Grid Installations Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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.

### **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 annual report 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 December 2011 and of its loss 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.

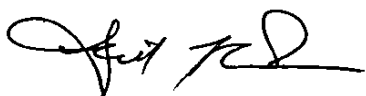
### **Opinion on other matter prescribed by the Companies Act 2006**

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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report.



Stuart Henderson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cambridge, United Kingdom

26 April 2012

## UTILITY GRID INSTALLATIONS LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	1 January 2011 to 31 December 2011 £	1 July 2010 to 31 December 2010 £
Administration expenses		(479)	(1,915)
<b>OPERATING LOSS</b>		<b>(479)</b>	<b>(1,915)</b>
Profit/(Loss) on sale of network assets	2	139,483	(3,008)
Interest receivable and similar income	4	54,161	26,455
Interest payable and similar charges	5	(519,662)	(245,100)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>(326,497)</b>	<b>(223,568)</b>
Tax on loss on ordinary activities	6	123,486	61,757
<b>LOSS FOR THE FINANCIAL YEAR / PERIOD</b>	10	<b>(203,011)</b>	<b>(161,811)</b>

All of the Company's operations are classed as continuing

No statement of total recognised gains and losses has been included as there are no recognised gains and losses other than the loss for the financial period and the loss for the preceding financial year

The notes on pages 7 to 12 form part of these financial statements.

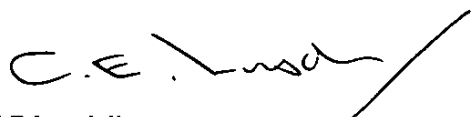
# UTILITY GRID INSTALLATIONS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	31 December 2011 £	31 December 2010 £
<b>CURRENT ASSETS</b>			
Work in progress		269,467	599,849
Debtors	7	10,654,786	10,453,511
Cash at bank and in hand		232	-
		<u>10,924,485</u>	<u>11,053,360</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	(10,309,697)	(10,235,561)
		<u>614,788</u>	<u>817,799</u>
<b>NET CURRENT ASSETS</b>			
		<u>614,788</u>	<u>817,799</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>614,788</u>	<u>817,799</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	614,787	817,798
		<u>614,788</u>	<u>817,799</u>
<b>SHAREHOLDER'S FUNDS</b>	11	<u>614,788</u>	<u>817,799</u>

The financial statements of Utility Grid Installations Limited, registered number 03958461, were approved by the Board of Directors and authorised for issue on 25 April 2012

These were signed on its behalf by



C E Linsdell  
Director

The notes on pages 7 to 12 form an integral part of these financial statements

## **UTILITY GRID INSTALLATIONS LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE PERIOD 1 JULY 2010 TO 31 DECEMBER 2010**

#### **1 ACCOUNTING POLICIES**

The significant policies adopted in the preparation of the accounts are as follows

##### **(a) Basis of Presentation**

These financial statements have been prepared on a consistent basis with previous years, using the historical cost convention, and comply with applicable United Kingdom accounting standards

The Company forms part of the group of companies known as Brookfield Utilities UK ("BUUK") of which the ultimate parent undertaking is Brookfield Infrastructure Partners L P. The BUUK group is dependent on funding support provided by Prime Infrastructure Holdings Limited, a fellow group undertaking, with a repayment date for this funding of 1 June 2015. As a result this funding cannot be recalled within 12 months from the date of signing of the accounts.

The Company has received assurances from the immediate parent company that the loan will not be recalled within a period of one year from the date of signing of the accounts. The Company has given assurances to the immediate parent company that the loan will not be recalled within a period of one year from the date of signing of the accounts, unless the parent company is in a position to make repayment. The Company's forecasts, taking account of reasonably possible changes in trading performance, show that the Company should have adequate resources to continue in operational existence for the foreseeable future. Thus the Directors are of the opinion that the Company can continue to adopt the going concern basis in preparing the financial statements.

##### **(b) Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full in respect of timing differences arising from the recognition of gains and losses for tax purposes in different periods from those in which they are included in the financial statements. Provisions are made at rates expected to apply when they crystallise based on laws which have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted. A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### **(c) Work In Progress**

Work in progress has been stated at cost of direct materials, labour and overheads.

##### **(d) Cash Flow Exemption**

The Company is exempt from producing a cash flow statement under Financial Reporting Standard 1, "Cash Flow Statements", on grounds that a consolidated cash flow statement is included in the financial statements of its ultimate parent undertaking.



## UTILITY GRID INSTALLATIONS LIMITED

### NOTES TO THE ACCOUNTS (continued)

#### 2 PROFIT/(LOSS) ON SALE OF NETWORK

Profit on sale of network assets to GTC Pipelines Limited, a fellow group undertaking, in the year ended 31 December 2011 amounted to £139,483 (1 July 2010 to 30 December 2010 Loss of £3,008) There is no tax effect in the current year or prior period

#### 3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditor's remuneration for audit services for the Company of £7,774 (1 July 2010 to 31 December 2010 £8,300) has been borne by the immediate parent company for the current year and prior period

#### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	1 January 2011 to 31 December 2011 £	1 July 2010 to 31 December 2010 £
Bank interest	-	9
Interest receivable on loans to fellow group undertaking	54,161	26,446
	<hr/>	<hr/>
	54,161	26,455
	<hr/>	<hr/>

#### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	1 January 2011 to 31 December 2011 £	1 July 2010 to 31 December 2010 £
Bank interest	12	-
Interest payable on loans from immediate parent company	519,650	245,100
	<hr/>	<hr/>
	519,662	245,100
	<hr/>	<hr/>

# UTILITY GRID INSTALLATIONS LIMITED

## NOTES TO THE ACCOUNTS (continued)

### 6 TAX ON LOSS ON ORDINARY ACTIVITIES

	1 January 2011 to 31 December 2011 £	1 July 2010 to 31 December 2010 £
a) ANALYSIS OF TAX CREDIT IN THE YEAR / PERIOD		
Current Tax		
Group relief surrendered- current year / period	(123,486)	(61,757)
Total current tax (note 6b)	(123,486)	(61,757)
b) FACTORS AFFECTING TAX CREDIT FOR THE YEAR / PERIOD		
The differences are explained below		
	£	£
Loss on ordinary activities before tax	(326,497)	(223,568)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 26.5% (1 July 2010 to 31 December 2010 28%)	(86,522)	(62,599)
Effects of Non taxable income	(36,964)	842
Current tax credit for the year / period (note 6a)	(123,486)	(61,757)

#### c) FACTORS AFFECTING TAX CREDIT IN THE FUTURE

In March 2011, the UK Government announced a reduction in the standard rate of UK corporation tax to 26% effective 1 April 2011. This rate reduction was substantively enacted in March 2011. In March 2012, the UK Government announced the main rate of UK corporation tax would reduce to 24% with effect from 1 April 2012, with subsequent 1% reductions annually to 22% by April 2014. These changes were substantively enacted on 26 March 2012. The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

At 31 December 2010 and 31 December 2011, the Company had no unrecognised deferred tax assets.

## UTILITY GRID INSTALLATIONS LIMITED

### NOTES TO THE ACCOUNTS (continued)

#### 7 DEBTORS

	31 December 2011 £	31 December 2010 £
Amounts falling due within one year		
VAT	1,187	33
Amounts due from immediate parent company non-interest bearing	109,583	109,586
Amounts due from fellow group undertaking interest bearing	936,793	882,632
Amounts due from fellow group undertaking non-interest bearing	9,607,223	9,461,260
	<hr/>	<hr/>
	10,654,786	10,453,511
	<hr/>	<hr/>

Amounts due from fellow group undertaking interest bearing, bears interest at 6% per annum, is unsecured and is repayable on demand

Amounts due from immediate parent company non-interest bearing, is unsecured and is repayable on demand

Amounts due from fellow group undertaking non-interest bearing, is unsecured and is repayable on demand

#### 8 CREDITORS

	31 December 2011 £	31 December 2010 £
Amounts falling due within one year		
Trade creditors	24,277	25,161
Other creditors	1,650,195	2,206,317
Bank overdraft	-	6,718
Amounts due to fellow group undertaking non-interest bearing	25,667	3,190
Amounts due to immediate parent company interest bearing	8,609,558	7,994,175
	<hr/>	<hr/>
	10,309,697	10,235,561
	<hr/>	<hr/>

Amounts due to fellow group undertaking is non-interest bearing, unsecured and repayable on demand

Amounts due to immediate parent company is interest bearing at 6.3%, unsecured and repayable on demand

# UTILITY GRID INSTALLATIONS LIMITED

## NOTES TO THE ACCOUNTS (continued)

### 9 CALLED UP SHARE CAPITAL

	31 December 2011 £	31 December 2010 £
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Allotted, called-up and fully paid  
1 ordinary share of £1

1

1

### 10 PROFIT AND LOSS ACCOUNT

£

At 1 January 2011  
Loss for the financial year

817,798  
(203,011)

At 31 December 2011

614,787

### 11 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	31 December 2011 £	31 December 2010 £
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Loss for the financial period / year

(203,011)

(161,811)

Opening shareholder's funds

817,799

979,610

Closing shareholder's funds

614,788

817,799

## **UTILITY GRID INSTALLATIONS LIMITED**

### **NOTES TO THE ACCOUNTS (continued)**

#### **12 RELATED PARTY TRANSACTIONS**

As all the issued share capital of the Company is owned by a group whose consolidated financial statements are publicly available it is not required to disclose transactions with other group undertakings that would otherwise be required under Financial Reporting Standard 8 'Related Party Disclosures'

#### **13 ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent company is The Gas Transportation Company Limited, a company incorporated in Guernsey. The Company's ultimate parent undertaking is Brookfield Infrastructure Partners L P, which is registered in Bermuda. The smallest group in which the results of the Company are consolidated is Prime IEG Australia No 1 Pty Limited, which is incorporated in Australia, and the largest group in which the results of the Company are consolidated is Brookfield Infrastructure Partners L P. Brookfield Infrastructure Partners L P's accounts can be obtained from

Brookfield Infrastructure Partners L P  
Canon's Court  
22 Victoria Street  
Hamilton  
HM 12  
Bermuda

#### **14 DIRECTORS AND EMPLOYEES**

The Company had no employees in either the current year or preceding period. All services are provided by the immediate parent company, The Gas Transportation Company Limited. No remuneration was paid to the Directors during the year (1 July 2010 to 31 December 2010 £nil) for their services to the Company.