

Company Number 03958461

UTILITY GRID INSTALLATIONS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

THURSDAY



AYDLVFO4

A45

10/12/2009

11

COMPANIES HOUSE

UTILITY GRID INSTALLATIONS LIMITED

Directors N E SHAW, B.Sc. (Hons) C.Eng, MIGEM

MRS D C MORGAN, F.C.A.

C E LINSDELL, F.C.C.A., M.B.A.

Secretary Simon Lee

Auditors 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 30 JUNE 2009

The Directors submit their report and the audited financial statements for the year ended 30 June 2009.

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 30 June 2009 show a profit after taxation of £547,361 (2008: loss £105,413). Included in the financial statements is an exceptional item amounting to £799,362 (2008: £98,586) relating to additional profit on sale of the Company's assets to fellow group undertakings.

The Directors do not recommend the payment of a dividend (2008: £nil). The Directors consider the state of the Company's affairs to be satisfactory.

The Directors expect the general level of activity in the coming year to be lower in view of the downturn in the UK housing market.

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 the Statement of accounting policies in the 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 auditors are 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 auditors are 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 throughout the year and at the date of this report are given on page 1.

Statement of Directors' responsibilities

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

UTILITY GRID INSTALLATIONS LIMITED

REPORT OF THE DIRECTORS (continued)

Statement of Directors' responsibilities (continued)

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 of the state of affairs of the Company and of the profit or loss of the Company for that period. 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.

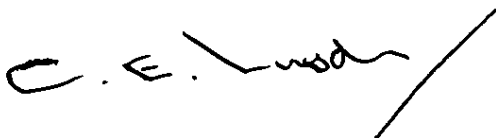
Directors' indemnities

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.

Auditors

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. Accordingly, Deloitte LLP have expressed their willingness to continue in office as auditors 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
20 November 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UTILITY GRID INSTALLATIONS LIMITED

We have audited the financial statements of Utility Grid Installations Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 sections 495 and 496 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 auditors' 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 auditors

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 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 (APB'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.

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 30 June 2009 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.


Richard Knights (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Registered Auditors
Cambridge, United Kingdom

20.11.2009.

UTILITY GRID INSTALLATIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 £	2008 £
TURNOVER	1 (e)	900	-
Cost of Sales		(809)	(75)
GROSS PROFIT / (LOSS)		91	(75)
Administration expenses		532	2,011
OPERATING PROFIT		623	1,936
Profit on sale of network assets	2	799,362	98,586
Interest receivable and similar income	4	171,583	164,141
Interest payable and similar charges	5	(522,207)	(451,665)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	449,361	(187,002)
Tax on profit / (loss) on ordinary activities	6	98,000	81,589
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	12	547,361	(105,413)

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 profit for the financial year and the loss for the preceding financial year.

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

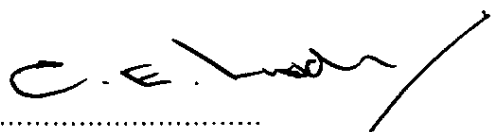
UTILITY GRID INSTALLATIONS LIMITED

BALANCE SHEET AS AT 30 JUNE 2009

	Notes	2009 £	2008 £
CURRENT ASSETS			
Work in progress	7	34,785	64,688
Debtors	8	12,322,483	12,072,690
Cash at bank and in hand		1,852	152
		<u>12,359,120</u>	<u>12,137,530</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	9	(9,984,359)	(10,310,130)
		<u>2,374,761</u>	<u>1,827,400</u>
NET CURRENT ASSETS			
		<u>2,374,761</u>	<u>1,827,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>2,374,761</u>	<u>1,827,400</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	2,374,760	1,827,399
		<u>2,374,761</u>	<u>1,827,400</u>
SHAREHOLDERS' FUNDS			
	13	2,374,761	1,827,400

The financial statements of Utility Grid Installations Limited, registered number 03958461, were approved by the Board of Directors and authorised for issue on 20 November 2009.

These were signed on its behalf by:



.....
C E Linsdell
Director
20 November 2009

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 YEAR ENDED 30 JUNE 2009

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 a group of companies ("IEG group") of which the ultimate parent company is Prime Infrastructure Holdings Limited (formerly Babcock & Brown Infrastructure Limited) ("BBI"). The IEG group is dependent on funding support provided by BBI 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. On 16 November 2009, the shareholders of BBI approved resolutions for the successful recapitalisation of that company.

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 company.

UTILITY GRID INSTALLATIONS LIMITED

NOTES TO THE ACCOUNTS (continued)

1 ACCOUNTING POLICIES (continued)

(e) Turnover

Income and operating losses derive wholly from continuing activities. Sales represents the value of goods and services supplied to customers by the Company excluding sale taxes. 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 origination and destination of all turnover is within the United Kingdom. Sales of goods are recognised when goods are delivered and title has passed.

2 PROFIT ON SALE OF NETWORK ASSETS

Profit on sale of network assets to GTC Pipelines Limited, a fellow group undertaking, in the year ended 30 June 2009 amounted to £799,362 (2008: £98,586). There is no tax effect in the current year or prior year.

3 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009 £	2008 £
Profit / (loss) on ordinary activities before taxation is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	-	-

Auditors' remuneration for audit services for the Company of £6,386 (2008: £6,200) has been borne by the immediate parent company for the current and prior year.

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Bank interest	245	1,302
Interest receivable on loans to fellow group undertaking	171,338	162,839
	<u>171,583</u>	<u>164,141</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on loans from immediate parent company	522,207	451,665

UTILITY GRID INSTALLATIONS LIMITED

NOTES TO THE ACCOUNTS (continued)

6 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2009 £	2008 £
a) ANALYSIS OF TAX CREDIT IN THE YEAR		
Current Tax		
Group relief surrendered- current year	(98,000)	(84,256)
Group relief received - prior year	-	1,774
	<hr/>	<hr/>
Total current tax (note 6b)	(98,000)	(82,482)
Deferred tax		
Origination and reversal of timing differences	-	893
	<hr/>	<hr/>
Tax credit on profit on ordinary activities	(98,000)	(81,589)
	<hr/>	<hr/>
b) FACTORS AFFECTING TAX CREDIT FOR THE YEAR		
The differences are explained below:		
	£	£
Profit / (loss) on ordinary activities before tax	449,361	(187,002)
	<hr/>	<hr/>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2008: 28%)	125,821	(52,361)
Effects of :		
Rate adjustment	-	(2,810)
Adjustment to previous periods	-	1,774
Non taxable income	(223,821)	(29,085)
	<hr/>	<hr/>
Current tax credit for the year	(98,000)	(82,482)
	<hr/>	<hr/>

At 30 June 2008 and 30 June 2009, the Company had no unrecognised deferred tax assets.

UTILITY GRID INSTALLATIONS LIMITED

NOTES TO THE ACCOUNTS (continued)

7 WORK IN PROGRESS

	2009 £	2008 £
Work in progress	34,785	64,688

8 DEBTORS

	2009 £	2008 £
Amounts falling due within one year:		
Trade debtors	1,106	2,294
Other debtors	3,667	-
VAT	454	-
Amounts due from immediate parent company non-interest bearing	47,826	132,083
Amounts due from fellow group undertaking interest bearing	12,062,154	11,890,816
Amounts due from fellow group undertaking non-interest bearing	207,276	47,497
	<u>12,322,483</u>	<u>12,072,690</u>

Amounts due from fellow group undertaking interest bearing, bears interest at 6.3% 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.

9 CREDITORS

	2009 £	2008 £
Amounts falling due within one year:		
Trade creditors	31,631	29,377
Other creditors	1,214,665	2,339,601
Amounts due to fellow group undertaking non-interest bearing	3,190	25,667
Amounts due to immediate parent company interest bearing	8,734,873	7,915,485
	<u>9,984,359</u>	<u>10,310,130</u>

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)

10 CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called-up and fully paid		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

11 PROFIT AND LOSS ACCOUNT

	£
At 1 July 2008	1,827,399
Profit for the financial year	547,361
	<hr/>
At 30 June 2009	2,374,760
	<hr/>

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit / (loss) for the financial year	547,361	(105,413)
Opening shareholders' funds	1,827,400	1,932,813
	<hr/>	<hr/>
Closing shareholders' funds	2,374,761	1,827,400
	<hr/>	<hr/>

UTILITY GRID INSTALLATIONS LIMITED

NOTES TO THE ACCOUNTS (continued)

13 CAPITAL COMMITMENTS

	2009	2008
	£	£
Capital Commitments:		
Contracted for but not provided for	544,198	1,042,077

14 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'.

15 ULTIMATE PARENT COMPANY

The Company's immediate parent company is The Gas Transportation Company Limited, a company registered in Guernsey. The Company's ultimate parent company is Prime Infrastructure Holdings Limited (formerly Babcock & Brown Infrastructure Limited), which is a company registered in Australia. The smallest group in which the results of the Company are consolidated is BBI 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 Prime Infrastructure Holdings Limited (formerly Babcock & Brown Infrastructure Limited). Prime Infrastructure Holdings Limited's (formerly Babcock & Brown Infrastructure Limited) accounts can be obtained from:

Prime Infrastructure Holdings Limited (formerly Babcock & Brown Infrastructure Limited)
The Chifley Tower
2 Chifley Square
Sydney
NSW 2000
Australia

16 DIRECTORS AND EMPLOYEES

The Company had no employees in either the current or preceding year. All services are provided by the immediate parent company, The Gas Transportation Company Limited. No remuneration was paid to the Directors during the year (2008: £nil) for their services to the Company.