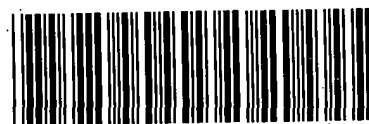


Registered number  
03958461

*Utility Grid Installations Limited*

Annual Report and Financial Statements  
For the year ended  
**31 December 2013**

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30/09/2014

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COMPANIES HOUSE

**Utility Grid Installations Limited**  
**Company Information**

**Directors**

C Linsdell

D Corney

**Company Secretary**

C Mumford

S Lee

**Auditor**

Deloitte LLP

Chartered Accountants and Statutory Auditor

London

United Kingdom

**Registered office**

Energy House

Woolpit Business Park

Woolpit

Bury St Edmunds

Suffolk

IP30 9UP

**Registered number**

03958461

## Utility Grid Installations Limited

### Strategic Report

The Directors present their Strategic report, annual report and the audited financial statements for the year ended 31 December 2013. The Directors in preparing this Strategic report, have complied with S414C of the Companies Act 2006.

#### Principal activity and review of business

The principal activity of the Company is the built out of gas distribution networks to housing and industrial developments for adoption by a fellow group undertaking. Due to the order-book being sold in 2006 and built out taking several years the Company does not directly construct or own distribution networks.

The Company made a loss during the year of £336,289 (2012 - £257,566) mainly due to intercompany loan interest payable. The Company's Balance sheet remains consistent with last year, primarily intercompany loan facilities for which the Company has given and received assurances that these balances will not be recalled within 12 months of the date of this report, unless the Company is in a position to do so.

#### 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 annual report and financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

#### Social, environmental and ethical policy

The Company is a member of the Brookfield Utilities UK (BUUK) Group of companies and accordingly adheres to the group's Social, Environmental and Ethical Policy.

The group recognises that its business activities and practices, and those of its suppliers, may have an impact on its employees, society and the environment. As such the group has developed its own policies and procedures to ensure compliance with these matters. The group expects all employees and its suppliers to work to that Code which, as a minimum standard, requires compliance with any relevant international and national, legal or regulatory framework.

#### Health and safety

The Directors are committed to achieving high standards of health and safety in the group's business activities for employees and customers alike. Policies and procedures are established to maintain continued provision of safe and healthy working conditions compliant with statutory requirements and appropriate codes of practice.

#### Equal opportunities

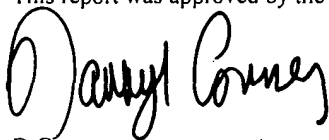
A fair and equal opportunities culture is operated throughout the group. Employment opportunities, whether in the recruitment, training or promotion of employees, are granted on merit irrespective of race, colour, religion, national origin, age, gender, disability or sexual orientation.

Full consideration and equal opportunities are given to employment applications from disabled persons with due regard to the requirements of the job. Where existing employees become disabled every effort is made to provide opportunities for continued employment within the group supported with training and development as appropriate.

#### Employee involvement

The Directors recognise the integral importance of their employees in achieving group success. Employee involvement in the development of the business is encouraged through an open and honest working environment, effective communication of business objectives and performance and actively seeking the opinions and concerns of the wider business team.

This report was approved by the board on 16/09/2014 and signed on its behalf.



D Corney  
Director

## Utility Grid Installations Limited

### Directors' Report

#### Dividends

The Directors do not recommend the payment of a dividend (2012 - £Nil)

#### Directors

The following persons served as directors throughout the year and to the date of this report:

N Shaw - resigned 31 December 2013  
C Linsdell  
D Corney - appointed 28 October 2013

The Company has Directors' and Officers' liability insurance to provide against liability in respect of proceedings brought forward by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Annual report.

#### 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 period. In preparing these 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; 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.

#### 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.

#### Directors' Report (Continued)

#### Directors' statement as to disclosure of information to the auditor

Each Director who was a member of the board at the time of approving the Directors' report is listed on page 1. Having made enquiries, the Directors confirm that:

- To the best of the Director's knowledge and belief, there is no information relevant to the preparation of the Director's report of which the Company's auditor is unaware; and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of 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.

This report was approved by the board on 16/09/2014 and signed on its behalf.



D Corney  
Director

**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 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 (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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on the 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 2013 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 matters 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 from preparing a strategic report or in preparing the Directors' report.



Paul Fletcher  
(Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

16 September 2014

**Utility Grid Installations Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2013**

	Notes	2013 £	2012 £
Administrative (expenses) / recovery		(500)	45
<b>Operating (loss)/profit</b>	3	<u>(500)</u>	<u>45</u>
Profit on sale of network assets	2	99,596	122,695
Interest receivable	5	61,039	57,646
Interest payable	6	(598,297)	(561,348)
<b>Loss on ordinary activities before taxation</b>		<u>(438,162)</u>	<u>(380,962)</u>
Tax credit on loss on ordinary activities	7	101,873	123,396
<b>Loss for the financial year</b>	11	<u>(336,289)</u>	<u>(257,566)</u>

Operating losses are wholly derived from continuing operations.

The company has no recognised gains or losses other than the loss for the above two financial years.

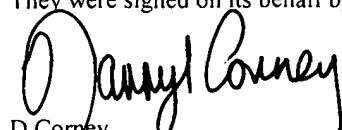
The notes on pages 7 to 10 form part of these financial statements

**Utility Grid Installations Limited**  
**Balance Sheet**  
**as at 31 December 2013**

	Notes	2013	2012
		£	£
<b>Current assets</b>			
Work in progress		344,321	160,511
Debtors	8	10,997,821	10,836,367
Cash at bank and in hand		88	-
		<u>11,342,230</u>	<u>10,996,878</u>
<b>Creditors: amounts falling due within one year</b>	9	(11,321,297)	(10,639,656)
<b>Net current assets</b>		<u>20,933</u>	<u>357,222</u>
<b>Total assets less current liabilities</b>		<u>20,933</u>	<u>357,222</u>
<b>Net assets</b>		<u>20,933</u>	<u>357,222</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account	11	20,932	357,221
<b>Shareholders' funds</b>	11	<u>20,933</u>	<u>357,222</u>

The financial statements of Utility Grid Installations Limited (registered number 03958461) were approved by the Board of Directors and authorised for issue on 16/09/2014.

They were signed on its behalf by:



D Corney  
Director

The notes on pages 7 to 10 form part of these financial statements

**Utility Grid Installations Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2013**

**1 Accounting policies**

***Basis of accounting***

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year. The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

***Going concern***

The Company forms part of the group known as Brookfield Utilities UK ("BUUK", the "group") of which the ultimate parent undertaking is Brookfield Infrastructure Partners L.P. At 31 December 2013 the group had the following sources of funding:

- Senior Secured Loan notes denominated in GBP (£400 million) and US\$ (US\$300 million). The loan notes are privately placed and have maturity dates ranging from 2023 to 2033. The loan notes are fully drawn down and incur a fixed rate of interest. Cross currency interest rate swaps have been taken out to fix the US\$ denominated interest and principal repayments.
- Bank facilities with a syndicate of banks. In total the group has facilities of £140 million. As at 31 December 2013 £106.6 million of the facilities remained undrawn. The debt facilities mature in 2017 or 2034 depending on the facility. Interest is paid on a margin above LIBOR.
- Convertible Loan Notes redeemable in 2044 of £158.5 million.

The group has access to sufficient funds to continue in operational existence for the foreseeable future and therefore adopts the going concern basis in preparing its financial statements.

The Company is financed by intercompany loans. All companies within the BUUK group have given assurances that intercompany loans in existence at the balance sheet date will not be recalled within a period of one year from the date of signing of the financial statements, unless a company is in a position to make repayment. The Company's forecasts, taking account of reasonably possible changes in trading performance to December 2017, show that the Company should have adequate resources to continue in operational existence for the foreseeable future. Therefore, despite the ongoing economic uncertainty, the Directors have a reasonable expectation that the Company can continue to meet its liabilities as they fall due, for a period of at least 12 months from the date of this report. They have prepared the financial statements on the going concern basis.

***Cash flow statement***

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 (revised) on the grounds that it is a wholly owned subsidiary undertaking.

***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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

***Work in progress***

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

**2 Profit on sale of network**

Profit on sale of network assets to GTC Pipelines Limited a fellow group undertaking, in the year amounted to £99,596 (2012: £122,695). There is no tax effect in the current year or prior year.



**Utility Grid Installations Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2013**

**3 Operating loss**

Auditor's remuneration for the company has been borne by the immediate parent company, and amounts to:

	2013	2012
	£	£
Auditor's remuneration		
Audit of the financial statements	-	7,774

Audit fees for the company are £6,600; audit fees are borne by Brookfield Utilities UK No 2 Limited.

**4 Directors' emoluments and staff costs**

The Directors received no emoluments in the year (2012: £nil). The Directors are Directors/employees of other group companies and the services that they provide to the Company are considered ancillary to the services that they provide to those other group companies. The Company had no employees during the year with all services undertaken by employees of the immediate parent Company, The Gas Transportation Company Limited.

**5 Interest receivable**

	2013	2012
	£	£
Interest receivable on loans to fellow group undertaking	61,039	57,646

**6 Interest payable**

	2013	2012
	£	£
Interest payable to immediate parent undertaking	598,297	561,348

**7 Tax**

	2013	2012
	£	£

**(a) Tax on loss on ordinary activities**

The tax credit is made up as follows

**Current tax:**

Group relief credit in respect of the current year

Total current tax credit (note 7(b))

(101,873)	(123,396)
(101,873)	(123,396)

**(b) Factors affecting tax credit**

The tax assessed on the loss on ordinary activities for the year differs from the blended standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are reconciled below:

	2013	2012
	£	£
Loss on ordinary activities before tax	(438,162)	(380,962)
Loss on ordinary activities multiplied by the blended standard rate of corporation tax in the UK of 23.25% (2012: 24.50%).	(101,873)	(93,336)
Effects of:		
Non taxable income	-	(30,060)
Current tax credit for year	(101,873)	(123,396)

**Utility Grid Installations Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2013**

**7 Tax (continued)**

**(c) Factors that may affect future tax charges**

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 23% to 21% effective from 1 April 2014, was substantively enacted on 3 July 2013. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

The Government intends to enact future reduction in the main tax rate down to 20% effective from 1 April 2015. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

At 31 December 2012 and 31 December 2013, the Company had no unrecognised deferred tax assets.

<b>8 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Amounts due within one year</b>		
Trade debtors	-	-
Other taxes and social security	285	26
Amounts owed by immediate parent company	864,479	111,284
Amounts owed by fellow subsidiary undertakings interest bearing	402,439	1,117,834
Amounts owed by fellow subsidiary undertakings non-interest bearing	9,730,618	9,607,223
	<u>10,997,821</u>	<u>10,836,367</u>

Amounts owed by the ultimate parent undertaking and certain amounts owed by fellow subsidiary undertakings are non-interest bearing, unsecured and repayable on demand.

Amounts owed by fellow subsidiary undertakings where interest bearing, bear interest at 6% (2012 - 6%) per annum. All are unsecured and repayable on demand.

<b>9 Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,708	-
Amounts owed to immediate parent company interest bearing	9,897,278	9,264,427
Amounts owed to fellow subsidiary undertakings non-interest bearing	22,477	22,477
Other creditors	1,399,834	1,352,752
	<u>11,321,297</u>	<u>10,639,656</u>

Amounts owed to fellow subsidiary undertakings are non interest bearing, unsecured and repayable on demand. Amounts owed to immediate parent company is interest bearing at 6.3% (2012 - 6.3%), unsecured and repayable on demand.

<b>10 Called-up share capital</b>	<b>Nominal value</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
Allotted, called-up and fully paid:			
Ordinary shares	£1 each	<u>1</u>	<u>1</u>

**11 Reconciliation of movement in shareholders' funds and movement on reserves**

	Called up share capital	Profit and loss account	Total shareholders' funds	Total shareholders' funds
	£	£	2013 £	2012 £
At 1 January	1	357,221	357,222	614,788
Loss for the financial year	-	(336,289)	(336,289)	(257,566)
At 31 December	<u>1</u>	<u>20,932</u>	<u>20,933</u>	<u>357,222</u>

**Utility Grid Installations Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2013**

**12 Related party transactions**

As 100% of 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 wholly owned group undertakings that would otherwise be required under Financial Reporting Standard 8 'Related Party Disclosures'.

**13 Ultimate parent undertaking**

The Company's immediate parent undertaking is The Gas Transportation Company Ltd, a Company incorporated in Guernsey. The Company's ultimate parent undertaking and controlling party is Brookfield Infrastructure Partners L.P., which is registered in Bermuda.

The smallest group in which the results of the Company are consolidated is Brookfield Utilities UK No 2 Limited, which is incorporated in England and Wales, 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 financial statements can be obtained from: Brookfield Infrastructure Partners L.P., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.