Registered number
04935008

Independent Power Networks Limited

Annual Report and Financial Statements
For the year ended
31 December 2017

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Independent Power Networks Limited
Annual report and financial statements
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Independent Power Networks Limited
Company Information

Directors
D Corney
D Overman
C Linsdell
J Trounson

Company secretary
C Mumford
S Standring

Auditor
Deloitte LLP
Statutory Auditor
London, United Kingdom

Registered office
Energy House
Woolpit Business Park
Windmill Avenue
Woolpit
Bury St. Edmunds
Suffolk
IP30 9UP

Registered number
04935008

Independent Power Networks Limited
Strategic Report

The Directors present their strategic report, annual report and audited financial statements for the year ended 31 December 2017. The Directors, in preparing this Strategic report, have complied with S414C of the Companies Act 2006.

Principal activities
The Company owns and operates electric distribution networks in the UK. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Results and review of business
The profit for the year, after taxation, amounted to £1,912,323 (2016 : £1,058,297). The Company's Statement of Financial Position remained in a strong position, despite having net current liabilities of £9.5m (2016: £10.8m). This was due to intercompany loans for which the Company has received assurances that the loans will not be recalled within 12 months of the date of this report unless the Company is in a position to repay them.

The Directors are satisfied that the Company is well placed to continue to perform satisfactorily during the coming year. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Company operates as part of the BUUK Infrastructure Group (The Group) and the Directors of the group do not consider individual entities in the group to have individual key performance indicators (KPIs). The Group's results are considered as a whole, and details of the performance can be found in the consolidated group financial statements prepared by BUUK Infrastructure No 2 Limited.

Principal risks and uncertainties
The Company is part of the BUUK Infrastructure Group "BUUK Group", owned by BUUK Infrastructure Limited. The principal risks and uncertainties facing the "BUUK Group" and the entity are:

Regulatory
The Group operates in stable and transparent regulated utility markets in the UK. The Group is not aware of any proposed changes impacting the existing regulatory frameworks in which it operates. Any such change could have either a positive or negative impact on our future business prospects.

The Common Distribution Charging Methodology (CDCM) System helps to mitigate against the effects of inflation via the linking of Independent Distribution Network Operator (IDNO) revenues to movements in upstream regulated distribution network operator revenues.

Health, Safety and Environmental
The Group operates a comprehensive Health, Safety and Environmental framework to ensure that, as far as possible, it eliminates risk to its employees, customers and the environment. The Group has an excellent track record in this regard and has culturally aligned itself to continually improve its performance in this area.

Liquidity and Interest Rates
The Group has a policy of seeking to have a number of sources of funds at any given time to meet its liquidity needs, as well as maintaining a balanced maturity profile to minimise, as far as possible, peaked repayments and refinancing risk. Debt facilities are arranged with appropriate financial and operating covenants, ensuring that management has the necessary flexibility in the operation of its business.

Cash flow risk
The Group uses derivative financial instruments to manage certain exposures to fluctuations in interest rates, inflation rates and exchange rates. The Group does not hold any speculative financial instruments.

Credit risk
The Group's credit risk is primarily attributable to its trade receivables. Given the number and geographical spread of the Group's ultimate customers and the solvency of major trade debtors, credit risk is believed to be limited. The Group is not reliant on any particular customer in the markets in which it operates and there is no significant concentration of credit risk. The Group regularly monitors its exposure to bad debts in order to minimise this exposure.

Independent Power Networks Limited
Strategic Report

Social, environmental and ethical policy
The Company is a member of the BUUK Infrastructure 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. In addition, the Group has maintained registration of ISO 14001 environmental accreditation.

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. In April 2018 the Group was recognised as a 'Best Large Workplace' by Great Places to Work which reflects the Group's commitment to the importance of its employees.

This report was approved by the board on 9th July 2018 and signed on its behalf.

D Corney
Director

Independent Power Networks Limited
Registered number: 04935008
Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2017.

Principal risks and uncertainties, future developments and employee involvement are discussed within the Strategic Report.

Dividends
The Directors do not recommend the payment of a final dividend (2016: £nil).

Directors
The following persons served as Directors during the year, and to the date of this report, unless stated otherwise:

D Corney
D Overman
C Linsdell
J Trounson (appointed 1 December 2017)

Directors' indemnities
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 Directors' report.

Directors' responsibilities statement
The Directors are responsible for preparing the annual report and 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting 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.

Going Concern
After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to 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.

Independent Power Networks Limited
Registered number: 04935008
Directors' Report

Auditor
Deloitte LLP has indicated its willingness to continue in office and a resolution to reappoint them as the Company's auditor will be put to the forthcoming Annual General Meeting.

Disclosure of information to auditor
Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself 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 S418 of the Companies Act 2006.

This report was approved by the board on 9th July 2018 and signed on its behalf.

D Corney
Director

Independent Power Networks Limited
Independent auditor's report
to the members of Independent Power Networks Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Independent Power Networks Limited (the 'company') which comprise:
- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:
- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent Power Networks Limited
Independent auditor's report
to the members of Independent Power Networks Limited

Responsibilities of directors
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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Andrew Lowes

Andrew Lowes (Senior Statutory Auditor)
For and on behalf of
Deloitte LLP
Statutory Auditor
London, United Kingdom
9 July 2018

Independent Power Networks Limited
Income Statement
for the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	1	9,047,337	8,792,894
Cost of sales		(4,712,710)	(6,491,203)
Gross profit		4,334,627	2,301,691
Administrative expenses		(1,619,571)	(681,280)
Operating profit	3	2,715,056	1,620,411
Interest receivable		130	862
Interest payable	5	(338,726)	(447,953)
Profit on ordinary activities before taxation		2,376,460	1,173,320
Tax on profit on ordinary activities	6	(464,137)	(115,023)
Profit for the financial year		1,912,323	1,058,297

All activities derive from continuing operations.

No separate statement of comprehensive income has been presented because the Company has no items of comprehensive income other than the profit for the financial year.

Independent Power Networks Limited
Statement of Financial Position
as at 31 December 2017

	Notes		2017 £		2016 £
Fixed assets					
Tangible assets	7		16,693,426		16,129,524
Current assets					
Debtors	8	1,830,132		1,745,911	
Cash at bank and in hand		162,635		160	
		1,992,767		1,746,071	
Creditors: amounts falling due within one year	9	(11,446,026)		(12,497,369)	
Net current liabilities			(9,453,259)		(10,751,298)
Total assets less current liabilities			7,240,167		5,378,226
Provisions for liabilities					
Deferred taxation	10		(335,596)		(385,978)
Net assets			6,904,571		4,992,248
Capital and reserves					
Called up share capital	11		25,001		25,001
Profit and loss account	12		6,879,570		4,967,247
Total equity			6,904,571		4,992,248

The financial statements of Independent Power Networks Limited, registered number 04935008, were approved by the Board of Directors and authorised for issue on 9th July 2018.
They were signed on its behalf by:

D Corney
Director

Independent Power Networks Limited
Statement of Changes in Equity
for the year ended 31 December 2017

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2016	25,001	3,908,950	3,933,951
Profit for the financial year	-	1,058,297	1,058,297
At 31 December 2016	25,001	4,967,247	4,992,248
At 1 January 2017	25,001	4,967,247	4,992,248
Profit for the financial year	-	1,912,323	1,912,323
At 31 December 2017	25,001	6,879,570	6,904,571

1 Summary of significant accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to members of a group where consolidated financial statements are publicly available. Exemptions have been taken in relation to the presentation of a cash flow statement and remuneration of key management personnel.

Turnover
Turnover represents the amounts receivable from the supply of goods and services during the year, net of Value Added Tax. Revenue is recognised at the point of delivery to the customer, or when the service has been undertaken.

All turnover and profit before taxation, by origin and destination, was attributable to the UK.

Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off their cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset over its estimated useful life on a straight line basis as follows:

Electric infrastructure	60 years

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Debtors
Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors
Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Interest income
Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be reliably measured. Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Interest expense
Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

1 Summary of significant accounting policies (continued)

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past years. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous year.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted, and are only offset when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Going Concern

The Company forms part of the Group known as BUUK Infrastructure ("BUUK", the "Group") of which the ultimate parent undertaking is Brookfield Asset Management Inc. BUUK had its investment grade rating from Moody's reaffirmed on 3 October 2017. At 31 December 2017 the Group had the following long term funding:

- Senior Secured Loan notes denominated in GBP (£885 million) and US$ (US$300 million). The loan notes are privately placed and have maturity dates ranging from 2023 to 2036. The loan notes are fully drawn down and incur a fixed rate of interest. Cross currency interest rate swaps have been taken out to fix the US$ denominated interest and capital repayments.
- Bank facilities with a syndicate of banks. In total the Group has facilities of £300 million. As at 31 December 2017, £95.8 million of the facilities remained undrawn. The facilities mature in 2022. Interest is paid on a margin above LIBOR.
- Convertible Loan Notes redeemable in 2044 of £158.5 million.

The Group is required to comply with certain financial covenants on a quarterly basis in compliance with the bank and senior loan note facilities agreement and expects to continue to do so for the foreseeable future.

The Group is cash generative and 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.

All Companies within the BUUK Group have given assurances that intercompany loans in existence at the Statement of Financial Position 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 into account reasonable possible changes in trading performance to December 2022, show that the Company should have adequate resources to continue in operational existence for the foreseeable future. Therefore, 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 annual report. Accordingly, they have prepared the financial statements on the going concern basis.

2 Critical accounting estimates and judgements

The Directors consider the following to be critical judgements or key sources of estimation uncertainty that have been made in the process of applying the Company's accounting policies which have a significant effect on the amounts recognised in the financial statements.

The Directors consider the useful economic lives of tangible fixed assets to be a key source of estimation. The useful economic lives are determined based on management's judgement and past experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, the charge is adjusted for prospectively over the remaining useful lives of the assets.

During the year management undertook an assessment of the estimated useful lives of network assets taking into consideration the expected technical and economic lives of these assets. The outcome of this assessment has been to extend the useful life of network assets from 40 years to 60 years, accounted for prospectively. The estimated impact on the current year has been a decrease to depreciation charged to cost of sales of approximately £0.2m. It is not practical to reliably estimate the impact of this change on future years as this is dependent on an unknown future cost of infrastructure asset additions.

3 Operating profit

	2017 £	2016 £
This is stated after charging:		
Depreciation of owned fixed assets	296,363	528,900

Audit fees for the audit of the Company's financial statements are £16,500 (2016: £14,960); audit fees are borne by BUUK Infrastructure No 2 Limited.

4 Directors' emoluments and staff costs

The Directors received no emoluments in the year (2016: £nil) in respect of qualifying services. 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 current or prior year with all administrative tasks undertaken by employees of fellow group undertakings.

5 Interest payable

	2017 £	2016 £
Other interest payable	95	307
Interest payable to immediate parent undertaking	-	447,646
Interest payable to fellow subsidiary undertaking	338,631	-
	338,726	447,953

6 Taxation

	2017	2016
	£	£
Analysis of charge in year		
Current tax:		
Group relief charge in respect of the current year	514,519	99,416
Adjustments in respect of previous years	-	(83,411)
	514,519	16,005
Deferred tax:		
Origination and reversal of timing differences	(50,382)	114,960
Effect of change in future tax rates on opening balance	-	(15,942)
	(50,382)	99,018
Tax on profit on ordinary activities	464,137	115,023

Factors affecting tax charge for year

The tax assessed on the profit on ordinary activities for the year is higher than the standard blended rate of corporation tax in the UK of 19.25% (2016 : 20.00%). The differences are reconciled below:

	2017	2016
	£	£
Profit on ordinary activities before tax	2,376,460	1,173,320
Standard rate of corporation tax in the UK	19.25%	20.00%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	457,469	234,664
Effects of:		
Effect of difference between current and future tax rates in the year	6,668	(20,288)
Effect of change in future tax rates on opening deferred tax	-	(15,942)
Adjustments to tax charge in respect of previous years	-	(83,411)
Tax charge for year	464,137	115,023

Factors that may affect future tax charges

The Finance Act 2015, which was substantively enacted on 26 October 2015, provides for a reduction in the main rate of corporation tax from 20% to 19% effective from 1 April 2017. The Finance Act 2016, which was substantively enacted on 15 September 2016, provides for a further reduction in the main rate of corporation tax to 17% from 1 April 2020. Consequently deferred tax has been calculated at the year end using a tax rate of 17%.

The Company has no unrecognised deferred tax assets or liabilities as at 31 December 2017 (2016: £nil).

7 Tangible fixed assets

	Electric Infrastructure *At cost* £
Cost	
At 1 January 2017	18,485,262
Additions	860,265
At 31 December 2017	19,345,527
Depreciation	
At 1 January 2017	2,355,738
Charge for the year	296,363
At 31 December 2017	2,652,101
Carrying amount	
At 31 December 2017	16,693,426
At 31 December 2016	16,129,524

8 Debtors

	2017 £	2016 £
Trade debtors	984,160	910,028
Amounts owed by fellow subsidiary undertakings	-	837
Other debtors	9,091	4,626
Prepayments and accrued income	836,881	830,420
	1,830,132	1,745,911

Amounts owed by the fellow subsidiary undertakings are unsecured and repayable on demand. Interest is charged at 3.34% (2016: 4.17%).

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	600
Amounts owed to fellow subsidiary undertakings	10,331,171	11,096,650
Other taxes and social security costs	103,834	93,023
Other creditors	142,178	-
Accruals and deferred income	868,843	1,307,096
	11,446,026	12,497,369

Amounts owed to fellow subsidiary undertakings and are unsecured and repayable on demand. Interest is charged at a rate of 3.34% (2016: 4.17%).

10 Deferred taxation

	2017 £	2016 £
Accelerated capital allowances	335,596	385,978

	2017 £	2016 £
At 1 January	385,978	286,960
(Credited)/charged to profit and loss	(50,382)	99,018
At 31 December	335,596	385,978

11 Share capital

	Nominal value	2017 Number	2017 £	2016 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	25,001	25,001	25,001

12 Profit and loss account

	2017 £	2016 £
At 1 January	4,967,247	3,908,950
Profit for the financial year	1,912,323	1,058,297
At 31 December	6,879,570	4,967,247

13 Capital commitments

	2017 £	2016 £
Amounts contracted for but not provided in the financial statements	3,490,636	2,150,000

The above amounts are in relation to the adoption of electric infrastructure assets.

14 Related party transactions

The Company has taken advantage of the exemption provided by FRS 102 paragraph 33.1A not to disclose transactions with other wholly-owned Group undertakings.

The Company has taken advantage of the exemption provided by FRS 102 paragraph 1.12 (e) not to disclose key management personnel compensation.

15 Controlling party

The Company's immediate parent undertaking is Inexus Group (Holdings) Ltd, a Company registered in England and Wales. The Company's ultimate parent undertaking and controlling party is Brookfield Asset Management Inc., which is registered in Canada.

The smallest Group of which the Company is a member and for which Group financial statements are prepared is BUUK Infrastructure No 2 Limited, a Company registered in England and Wales. BUUK Infrastructure No 2 Limited's financial statements can be obtained from their registered office at: BUUK Infrastructure No 2 Limited, Energy House, Woolpit Business Park, Windmill Avenue, Woolpit, Bury St Edmunds, Suffolk, IP30 9UP.

The largest Group of which the Company is a member and for which Group financial statements are prepared is Brookfield Asset Management Inc., which is registered in Canada. Brookfield Asset Management Inc.'s financial statements can be obtained from their registered office at: Brookfield Asset Management Inc., Suite 300, Brookfield Place, 181 Bay Street, Toronto, Canada.

16 Presentation currency

The financial statements are presented in Pounds Sterling, which is also the functional currency.

17 Legal form of entity and country of incorporation

Independent Power Networks Limited is a private company limited by shares incorporated in England & Wales.

18 Principal place of business

The address of the Company's principal place of business and registered office is:

Energy House
Woolpit Business Park
Windmill Avenue
Woolpit
Bury St. Edmunds
Suffolk
IP30 9UP