

Registered number
05041663

Independent Meters Limited

Annual Report and Financial Statements
For the year ended
31 December 2014

MONDAY



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COMPANIES HOUSE

Independent Meters Limited
Company Information

Directors

D Corney

C Linsdell

Company Secretary

C Mumford

Auditors

Deloitte LLP

Chartered Accountants and Statutory Auditor

London

United Kingdom

Registered office

Energy House

Woolpit Business Park

Windmill Avenue

Woolpit

Bury St. Edmunds

Suffolk

United Kingdom

IP30 9UP

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Independent Meters Limited
Registered number: 05041663
Strategic Report

The Directors present their strategic report, annual report and audited financial statements for the year ended 31 December 2014. The Directors in preparing this Strategic report, have complied with S414C of the Companies Act 2006.

Results and dividends

The profit for the year, after taxation, amounted to £335,565 (2013: loss of £187,168). The Company has received assurances from intercompany creditors that balances will not be recalled within 12 months of the date of this report unless the Company is in position to do so.

Principal activity and review of business

The Company owns and operates meters in connection with utility network services in the UK. The majority of meters adopted are connected to networks owned by fellow subsidiary undertakings and are funded by loans from Group members. The Company expects to continue with these activities as the networks owned by fellow subsidiary undertakings are expanded and increased.

Social, environmental and ethical policy

The Company is a member of the Brookfield Utilities UK 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.

This report was approved by the board on 30 June 2015 and signed on its behalf.



D Corney
Director

Independent Meters Limited
Registered number: 05041663
Directors' Report

Dividends

The Directors do not recommend the payment of a dividend (31 December 2013: £nil)

Directors

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

D Corney
C Linsdell

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 period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and
- 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.

Auditor

A resolution to reappoint Deloitte LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

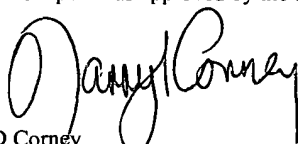
Directors' statement as to disclosure of information to the auditor

The Directors who were members of the board at the time of approving the annual report are listed on page 1. Having made enquiries of the Company's auditor, the Directors confirm that:

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of the annual 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 30 June 2015 and signed on its behalf.


D Corney
Director

**Independent Auditor's Report
to the member of Independent Meters Limited**

We have audited the financial statements of Independent Meters Limited for the year ended 31 December 2014 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 set out on page 3, 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 annual 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 2014 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and 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.



Paul Fletcher
ACA (Senior Statutory Auditor)
for and on behalf of
Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 June 2015

Independent Meters Limited
Profit and Loss Account
for the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	4,176,969	3,949,536
Cost of sales		(27,987)	(281,172)
Gross profit		<u>4,148,982</u>	<u>3,668,364</u>
Administrative expenses		(1,839,112)	(1,778,665)
Operating profit	3	<u>2,309,870</u>	<u>1,889,699</u>
Interest payable	4	(1,847,256)	(1,755,285)
Profit on ordinary activities before taxation		<u>462,614</u>	<u>134,414</u>
Tax on profit on ordinary activities	5	(127,049)	(321,582)
Profit/(loss) for the financial year	10	<u>335,565</u>	<u>(187,168)</u>

Turnover and operating profit are wholly derived from continuing operations.

The Company has no recognised gains or losses other than the profit/(loss) for the above two financial periods.

The notes on pages 7 to 11 form part of these financial statements

Independent Meters Limited
Balance Sheet
as at 31 December 2014

	Notes	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	6		22,354,227		23,343,383
Current assets					
Debtors	7	2,632,222		2,251,382	
Cash at bank and in hand		78		-	
		<u>2,632,300</u>		<u>2,251,382</u>	
Creditors: amounts falling due within one year	8	(24,913,737)		(25,857,540)	
Net current liabilities			<u>(22,281,437)</u>		<u>(23,606,158)</u>
Total assets less current liabilities			<u>72,790</u>		<u>(262,775)</u>
Net assets/(liabilities)			<u>72,790</u>		<u>(262,775)</u>
Capital and reserves					
Called up share capital	9		50,001		50,001
Profit and loss account	10		22,789		(312,776)
Shareholder's funds / (deficit)	10		<u>72,790</u>		<u>(262,775)</u>

The Financial Statements of Independent Meters Limited (Registered number 05041663) were approved by the board of directors and authorised for issue on 30 June 2015.


D Corney
Director

The notes on pages 7 to 11 form part of these financial statements

Independent Meters Limited
Notes to the Financial Statements
for the year ended 31 December 2014

1 Accounting policies

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 2014 the Group had the following long term funding:

- Senior Secured Loan notes denominated in GBP (£500 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 capital repayments.
- Bank facilities with a syndicate of banks. In total the Group has facilities of £140 million. As at 31 December 2014 £103.6 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 into account reasonable possible changes in trading performance to December 2019, 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 financial statements on the going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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.

Fixed assets

Fixed assets represent utility meters purchased at cost.

Depreciation

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

Utility meters	20 years
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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.

Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the profit or loss account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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.

Independent Meters Limited
Notes to the Financial Statements
for the year ended 31 December 2014

2 Turnover

Revenue represents the fair value of the consideration received or receivable for services, net of discounts and sales taxes. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of revenue and associated costs can be measured reliably. All turnover and profit before taxation, by origin and destination, was attributable to the UK.

3 Operating profit

	2014 £	2013 £
This is stated after charging:		
Depreciation of owned fixed assets	1,662,404	1,621,634
Third party meter exchange write off	259,095	157,301
	<u>259,095</u>	<u>157,301</u>

Audit fees for the audit of the Company's financial statements are £2,780 (2013 - £3,300); audit fees are borne by Brookfield Utilities UK No 2 Limited.

4 Interest payable

	2014 £	2013 £
Interest payable to immediate parent undertaking	1,847,256	1,755,285
	<u>1,847,256</u>	<u>1,755,285</u>

5 Tax

	2014 £	2013 £
(a) Tax on profit on ordinary activities		
The tax charge is made up as follows		
Current tax:		
Group relief charge in respect of the current period	494,871	444,791
Deferred tax:		
Origination and reversal of timing differences	(367,822)	(355,733)
Effect of decreased tax rate on opening asset	-	232,524
Total deferred tax credit (note 7)	<u>(367,822)</u>	<u>(123,209)</u>
Tax on profit on ordinary activities	<u>127,049</u>	<u>321,582</u>

Independent Meters Limited
Notes to the Financial Statements
for the year ended 31 December 2014

5 Tax (continued)

(b) Factors affecting tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.25% (2013: 23.25%)

	2014 £	2013 £
Profit on ordinary activities before tax	462,614	134,414
Standard rate of corporation tax in the UK	21.50%	23.25%
profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 21.5% (2013: 23.25%)	99,462	31,251
Effects of:		
Expenses not deductible for tax purposes	37,992	36,573
Decelerated capital allowances	357,417	376,967
Current tax charge for year	<u>494,871</u>	<u>444,791</u>

(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.

The Government enacted a 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.

6 Tangible fixed assets

	Utility meters £
Cost	
At 1 January 2014	32,860,260
Additions	849,956
Disposals	<u>(258,855)</u>
At 31 December 2014	<u>33,451,361</u>
Depreciation	
At 1 January 2014	9,516,877
Charge for the year	1,662,404
On disposals	<u>(82,147)</u>
At 31 December 2014	<u>11,097,134</u>
Net book value	
At 31 December 2014	<u>22,354,227</u>
At 31 December 2013	<u>23,343,383</u>

Independent Meters Limited
Notes to the Financial Statements
for the year ended 31 December 2014

7 Debtors	2014	2013
	£	£
Amounts due within one year		
Deferred tax asset	2,273,718	1,905,896
Prepayments and accrued income	358,504	345,486
	<u>2,632,222</u>	<u>2,251,382</u>

The deferred tax asset included in the balance sheet is as follows:

	2014	2013
	£	£
Decelerated capital allowances	2,273,718	1,905,896
Deferred tax asset	<u>2,273,718</u>	<u>1,905,896</u>
	£	£
Opening balance	1,905,896	1,782,687
Deferred tax credit in profit and loss account (note 5)	367,822	123,209
Closing balance	<u>2,273,718</u>	<u>1,905,896</u>

8 Creditors: amounts falling due within one year	2014	2013
	£	£
Amounts owed to immediate parent company	22,652,709	24,148,825
Amounts owed to fellow subsidiary undertakings	2,261,028	1,708,715
	<u>24,913,737</u>	<u>25,857,540</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged on non trading balances at a variable rate of LIBOR plus 6.75%, and calculated monthly

9 Called-up Share capital	Nominal value	2014	2013
		£	£
Allotted, issued and fully paid:			
Ordinary shares	£1 each	<u>50,001</u>	<u>50,001</u>

10 Reconciliation of movement in shareholder's funds / (deficit) and movement on reserves

	Called-up Share capital	Profit and loss account	Total shareholder funds / (deficit)	Total shareholder deficit
	£	£	2014	2013
			£	£
At 1 January	50,001	(312,776)	(262,775)	(75,607)
Profit / (loss) for the financial year	-	335,565	335,565	(187,168)
At 31 December	<u>50,001</u>	<u>22,789</u>	<u>72,790</u>	<u>(262,775)</u>

Independent Meters Limited
Notes to the Financial Statements
for the year ended 31 December 2014

11 Contingent liabilities

The Company has entered into cross guarantees with fellow subsidiary undertakings, which guarantee certain of the borrowings of the Group. As at 31 December 2014 the total borrowings, as part of the BUUK Group, amounted to £614,586,216 (31 December 2013 : £614,586,216).

12 Related party transactions

As 100% of the issued share capital of the Company is owned by a Group which 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 Inexus Group (Holdings) Ltd, a Company registered in England and Wales. The Company's ultimate parent undertaking and controlling party is Brookfield Infrastructure Partners L.P., which is registered in Bermuda.

The smallest Group of which the Company is a member and for which Group financial statements are prepared is Brookfield Utilities UK No 2 Limited, a Company registered in England and Wales. The largest Group the Company is a member and for which Group financial statements are prepared is Brookfield Infrastructure Partners L.P., which is registered in Bermuda.

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.