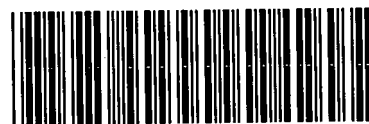


IEG FINANCE LIMITED
(formerly Brookfield Utilities UK Finance Limited)
Company No: 05413049

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

FRIDAY



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COMPANIES HOUSE

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

Directors

N E SHAW

C E LINSDELL

D CORNEY (appointed 10 March 2014)

A NICHOLLS (appointed 29 May 2013; resigned 10 March 2014)

Auditor

Ernst & Young LLP
Royal Chambers
St Julians Avenue
St Peter Port
Guernsey

Registered Office

Woolpit Business Park
Woolpit
Bury St Edmunds
Suffolk
IP30 9UP

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

REPORT OF THE DIRECTOR

The Directors submit their report and the audited financial statements for the year ended 31 December 2013.

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

Change of name

Pursuant to a special resolution on 21 January 2013, the Company changed its name from Brookfield Utilities UK Finance Limited to IEG Finance Limited.

Principal activities and review of business

The principal activities of the Company are investment holding and the provision of group finance.

Going concern

After making enquiries, the Directors has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues 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.

Results

The results of the year are shown in the profit and loss account on page 5. It is anticipated that the Company will continue on a similar but improved basis.

Dividend

The Directors do not recommend a dividend to be paid for the year (2012: £nil).

Disclosure of information to auditor

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

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) the Director has taken all the steps that he 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 section 418 of the Companies Act 2006.

Directors

The name of the Directors who served the Company during the year and at the date of this report are given on page 1.

REPORT OF THE DIRECTORS (continued)

Director's responsibilities statement

The Directors are responsible for preparing the Report and Accounts 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Director's 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 period and remains in force at the date of this report.

Auditor

Ernst & Young LLP is the current auditor, a resolution to appoint an auditor will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board of Directors



Mr D Corney
Director
10 September 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IEG FINANCE LIMITED (FORMERLY BROOKFIELD UTILITIES UK FINANCE LIMITED)

We have audited the financial statements of IEG Finance Limited (formerly Brookfield Utilities UK Finance Limited) ("the Company") for the year ended 31 December 2013 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 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 Statement of Directors' Responsibilities 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 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 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 profit for the year ended 31 December 2013.
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IEG FINANCE LIMITED
(FORMERLY BROOKFIELD UTILITIES UK FINANCE LIMITED) (continued)**

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 by the company, 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.
- The directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.

Ernst & Young LLP

Geraint Davies (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Guernsey, Channel Islands

16 September 2014

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

		2013	2012
		£	£
	Note		
TURNOVER	1(vi)	-	-
Other operating expenses	3	87,925	(67,585)
OPERATING PROFIT / (LOSS)		87,925	(67,585)
Loss on disposal of fixed asset investment	8	(14,573,195)	-
Loan waived	10	25,316,529	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		10,831,259	(67,585)
Loan interest receivable and similar income	5	4,469,242	5,706,921
Loan interest payable and similar charges	6	(7,208,840)	(7,516,877)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	8,091,661	(1,877,541)
Tax credit on profit / (loss) on ordinary activities	7	616,512	1,640,909
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		8,708,173	(236,632)

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.

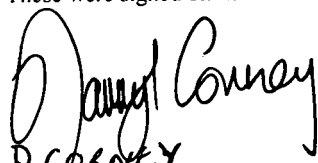
IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

BALANCE SHEET AT 31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Investments	8	-	73,031,000
CURRENT ASSETS			
Debtors			
- due within one year	9	10,060,639	24,041,751
- due after one year	9	-	26,508,438
Cash		100	-
		10,060,739	50,550,189
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(11,856)	(122,240,479)
NET CURRENT ASSETS / (LIABILITIES)		10,048,883	(71,690,290)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,048,883	1,340,710
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	10,048,882	1,340,709
SHAREHOLDER'S FUNDS	13	10,048,883	1,340,710

The financial statements of IEG Finance Limited, registered number 05413049, were approved by the Board of Directors and authorised for issue on 10 September 2014.

These were signed on its behalf by:



D. CORNEY
Director

10 September 2014

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

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES

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

(i) CONVENTION

These financial statements have been prepared in accordance with the historical cost convention and comply with UK law and Accounting Standards. The principal accounting policies which the Directors have adopted within that convention are set out below.

(ii) INVESTMENTS

Investments held as fixed assets are stated at cost less provision for impairment in value.

(iii) FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in currencies other than sterling have been translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions during the period have been translated at the rate of exchange at the date of the transaction. Foreign exchange differences are recognised through the profit and loss account.

(iv) INVESTMENT INCOME

Bank interest is accounted for on an accruals basis. Dividends received are accounted for on an accruals basis.

(v) CASH FLOW

The Company has taken advantage of the exemption in paragraph 5 (a) of Financial Reporting Standard 1, "Cash Flow Statements", on the basis that the Company is included in the consolidated financial statements of the ultimate parent undertaking, Brookfield Infrastructure Partners L.P. that are publicly available.

(vi) TURNOVER

Turnover represents management charges received from group companies.

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)**NOTES TO THE ACCOUNTS (continued)****1 ACCOUNTING POLICIES (continued)****(vii) 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.

2 DIRECTORS' REMUNERATION

There was no Directors' remuneration during the year (2012: £nil).

3 OTHER OPERATING EXPENSES

	2013 £	2012 £
Other operating expenses are stated after charging:		
Foreign exchange gains / (losses)	104,576	(65,877)
	<u>104,576</u>	<u>(65,877)</u>

Foreign exchange movements arise on retranslation of Euro loans into Sterling.

4 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
Profit / (loss) on ordinary activities before taxation is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's financial accounts	8,000	2,500
	<u>8,000</u>	<u>2,500</u>

5 LOAN INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Loans to fellow group undertakings	854,207	886,875
'A' preference share dividends received	248	330
'B' preference share dividends received	3,614,787	4,819,716
	<u>4,469,242</u>	<u>5,706,921</u>

6 LOAN INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Loans from immediate parent company	7,208,840	7,516,877
	<u>7,208,840</u>	<u>7,516,877</u>

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

NOTES TO THE ACCOUNTS (continued)

7 TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

a) ANALYSIS OF CREDIT IN THE YEAR	2013 £	2012 £
Current tax:		
United Kingdom Corporation Tax		
Group relief surrendered - current year	(616,512)	(1,640,909)
	<hr/>	<hr/>
Total current tax (note 7b)	(616,512)	(1,640,909)
	<hr/>	<hr/>
Tax credit on profit / (loss) on ordinary activities	(616,512)	(1,640,909)
	<hr/>	<hr/>

b) FACTORS AFFECTING TAX CREDIT FOR THE YEAR

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows.

	2013 £	2012 £
Profit / (loss) on ordinary activities before tax	<u>8,091,661</u>	<u>(1,877,541)</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporate tax in the United Kingdom of 23.25% (2012: 24.5%)	1,881,311	(459,998)
Effects of:		
Non deductible expenses	3,388,270	-
Non taxable income	(5,886,093)	(1,180,911)
	<hr/>	<hr/>
Current credit for the year (note 7a)	(616,512)	(1,640,909)
	<hr/>	<hr/>

c) FACTORS AFFECTING TAX CREDIT IN THE FUTURE

In March 2013 the UK Government announced that it would introduce legislation that would reduce the corporation tax rate to 21% with effect from 1 April 2014 and that there would be a further reduction to 20% from 1 April 2015. These reduced rates are expected to be substantively enacted in the Finance Bill 2013 and the effective tax rate for the year ending 31 December 2013 is expected to reduce accordingly.

8 FIXED ASSET INVESTMENTS

Shares at Cost

	£
Unquoted	
At 1 January 2013	73,031,000
Disposals	(73,031,000)
	<hr/>
At 31 December 2013	-
	<hr/>

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

NOTES TO THE ACCOUNTS (continued)

8 FIXED ASSET INVESTMENTS (continued)

Split:-

Company	Country of incorporation	Principal activity	% Holding
International Energy Group Limited	Guernsey	Investment holding	100%

The Company held 100% of both the 'A' Preference shares and 'B' Redeemable Preference shares of International Energy Group Limited. On 27 November 2013, the 'A' Preference Shares were reclassified as 'A' Redeemable Preference Shares. All 5,000 'A' Redeemable Preference Shares and 5,100,659 of the 'B' Redeemable Preference Shares were redeemed at a price of £1 per share. The remaining 67,925,341 'B' Redeemable Preference Shares were then redeemed for a total price of £53,352,146.

9 DEBTORS

	2013	2012
	£	£
Amounts falling due within one year:		
Amounts due from fellow group undertakings interest bearing	1,701,003	12,789,379
Amounts due from fellow group undertakings non-interest bearing	8,359,636	11,252,372
	<u>10,060,639</u>	<u>24,041,751</u>
Due after one year:		
'B' Preference share dividends	-	26,508,438
	<u>-</u>	<u>26,508,438</u>

The amounts due from fellow group undertakings interest bearing, bear interest at 6.3% and are unsecured and repayable on demand. The amounts due from fellow group undertakings non-interest bearing, are unsecured and repayable on demand.

10 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Accruals	11,856	4,506
Amounts due to immediate parent company	-	122,235,973
	<u>11,856</u>	<u>122,240,479</u>

During the year the immediate parent waived £25,316,529 of the loan payable. The remaining amounts due were repaid in the year.

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

NOTES TO THE ACCOUNTS (continued)

11 CALLED UP SHARE CAPITAL	2013	2012
	£	£
Authorised:		
Ordinary shares of £1 each	100	100
'A' Preference Shares of £0.01 each	900,000	900,000
'B' Preference Shares of £0.01 each	200,000	200,000
'C' Preference Shares of £0.01 each (€400,000)	276,760	276,760
	<hr/>	<hr/>
	1,376,860	1,376,860
	<hr/>	<hr/>
Allotted, called up and fully paid:		
Ordinary Shares of £1 each	1	1
	<hr/>	<hr/>
 12 PROFIT AND LOSS ACCOUNT		
		£
At 1 January 2013		1,340,709
Profit for the financial year		8,708,173
		<hr/>
At 31 December 2013		10,048,882
		<hr/>
 13 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS		
	2013	2012
	£	£
Opening shareholders' funds	1,340,710	1,577,342
Profit / (loss) for the financial year	8,708,173	(236,632)
	<hr/>	<hr/>
Closing shareholder's funds	10,048,883	1,340,710
	<hr/>	<hr/>

IEG FINANCE LIMITED (formerly Brookfield Utilities UK Finance Limited)

NOTES TO THE ACCOUNTS (continued)

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 UNDERTAKING

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

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

16 EMPLOYEES

The Company has no employees.