

**IEG FINANCE LIMITED**

**Company No: 05413049**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

MONDAY



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14/09/2015

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COMPANIES HOUSE

**IEG FINANCE LIMITED**

**Directors**

**N E SHAW**

**C E LINSDELL**

**D CORNEY (appointed 10 March 2014)**

**A NICHOLLS (resigned 10 March 2014)**

**Registered Office**

**Woolpit Business Park  
Woolpit  
Bury St Edmunds  
Suffolk  
IP30 9UP**

## IEG FINANCE LIMITED

### STRATEGIC REPORT

#### Principal Activity

The principal activity of the Company is investment holding within the Brookfield Utilities UK ("BUUK") Group of companies.

#### Principal risks and uncertainties

The principal risks and uncertainties facing the BUUK Group 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.

##### **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 improve continually its performance in this area.

##### **Liquidity and Interest Rates**

The Group has a policy of seeking to have a number of sources of funds and financial instruments 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. The majority of the Group's existing debt has an unexpired term exceeding 12 years and is subject to a fixed interest rate.

#### Results and dividends

The profit for the year, after taxation, amounted to £nil (2013 - £8,708,173). The Directors do not recommend the payment of a dividend,

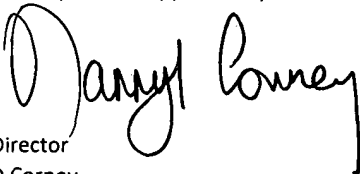
As an investment holding company, the Directors do not consider that the Company requires performance measurement, therefore the Company has no key performance indicators it is measured against.

#### Social, environmental and ethical policy

The Company is a member of the Brookfield Utilities UK Group (the '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.

This Report was approved by the board of directors on 14 August 2015, and signed on its behalf by



Director  
D Corney

2015

## **IEG FINANCE LIMITED**

### **REPORT OF THE DIRECTORS**

#### 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 6. It is anticipated that the Company will continue to be dormant next year.

#### Dividend

The Directors do not recommend a dividend to be paid for the year (2013: £nil).

#### 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.

Signed on behalf of the Board of Directors 14 August 2015

A handwritten signature in black ink, appearing to read 'D Corney', written over a horizontal line.

Mr D Corney  
Director

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

		2014	2013
		£	£
	Note		
<b>TURNOVER</b>	1(vi)	-	-
Other operating expenses	3	-	87,925
		<hr/>	<hr/>
<b>OPERATING PROFIT / (LOSS)</b>		-	87,925
Loss on disposal of fixed asset investment	8	-	(14,573,195)
Loan waived	10	-	25,316,529
		<hr/>	<hr/>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		-	10,831,259
Loan interest receivable and similar income	5	-	4,469,242
Loan interest payable and similar charges	6	-	(7,208,840)
		<hr/>	<hr/>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	-	8,091,661
Tax credit on profit / (loss) on ordinary activities	7	-	616,512
		<hr/>	<hr/>
<b>PROFIT / (LOSS) FOR THE FINANCIAL YEAR</b>		-	8,708,173
		<hr/> <hr/>	<hr/> <hr/>

From 1 January 2014 the Company qualified as dormant under Section 280 of the Companies Act 2006.

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 8 to 13 form part of these financial statements.

**IEG FINANCE LIMITED**

**BALANCE SHEET AT 31 DECEMBER 2013**

	Note	2014 £	2013 £
<b>CURRENT ASSETS</b>			
Debtors			
- due within one year	9	10,060,639	10,060,639
Cash		100	100
		<hr/>	<hr/>
		10,060,739	10,060,739
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	(11,856)	(11,856)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		10,048,883	10,048,883
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,048,883	10,048,883
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1	1
Profit and loss account	12	10,048,882	10,048,882
		<hr/>	<hr/>
<b>SHAREHOLDER'S FUNDS</b>	13	10,048,883	10,048,883
		<hr/>	<hr/>

For the year ending 31 December 2014 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of IEG Finance Limited, registered number 05413049, were approved by the Board of Directors and authorised for issue on 14 August 2015.

These were signed on its behalf by:



Director  
Mr D Corney

The notes on pages 8 to 13 form an integral part of these financial statements.

**IEG 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**

**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 (2013: £nil).

**3 OTHER OPERATING EXPENSES**

	2014 £	2013 £
Other operating expenses are stated after charging:		
Foreign exchange gains / (losses)	-	104,576

Foreign exchange movements arise on

**4 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2014 £	2013 £
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

**5 LOAN INTEREST RECEIVABLE AND SIMILAR INCOME**

	2014 £	2013 £
Loans to fellow group undertakings	-	854,207
'A' preference share dividends received	-	248
'B' preference share dividends received	-	3,614,787
	-	4,469,242

**6 LOAN INTEREST PAYABLE AND SIMILAR CHARGES**

	2014 £	2013 £
Loans from immediate parent company	-	7,208,840

**IEG FINANCE LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**7 TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES**

a) ANALYSIS OF CREDIT IN THE YEAR	2014 £	2013 £
Current tax:		
United Kingdom Corporation Tax		
Group relief surrendered - current year	-	(616,512)
	<hr/>	<hr/>
Total current tax (note 7b)	-	(616,512)
	<hr/>	<hr/>
Tax credit on profit / (loss) on ordinary activities	-	(616,512)
	<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.

	2014 £	2013 £
Profit / (loss) on ordinary activities before tax	-	8,091,661
	<hr/>	<hr/>
Profit / (loss) on ordinary activities multiplied by standard rate of corporate tax in the United Kingdom of 21.5% (2013: 23.25%)	-	1,881,311
Effects of:		
Non deductible expenses	-	3,388,270
Non taxable income	-	(5,886,093)
	<hr/>	<hr/>
Current credit for the year (note 7a)	-	(616,512)
	<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 were substantively enacted in the Finance Bill 2013.

**8 FIXED ASSET INVESTMENTS**

**Shares at Cost**

	£
Unquoted	
At 1 January 2013	73,031,000
Disposals	(73,031,000)
	<hr/>
At 31 December 2013 and 31 December 2014	-
	<hr/>

**IEG 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**

	2014	2013
	£	£
Amounts falling due within one year:		
Amounts due from fellow group undertakings interest bearing	1,701,003	1,701,003
Amounts due from fellow group undertakings non-interest bearing	8,359,636	8,359,636
	<u>10,060,639</u>	<u>10,060,639</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**

	2014	2013
	£	£
Accruals	11,856	11,856
	<u>11,856</u>	<u>11,856</u>

During 2013 the immediate parent waived £25,316,529 of the loan payable. The remaining amounts due were repaid in the year.

**IEG FINANCE LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

<b>11 CALLED UP SHARE CAPITAL</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
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/>
<b>12 PROFIT AND LOSS ACCOUNT</b>		
		<b>£</b>
At 1 January 2014		1,340,709
Profit for the financial year		-
		<hr/>
At 31 December 2014		1,340,709
		<hr/>
<b>13 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	10,048,883	10,048,883
Profit / (loss) for the financial year	-	-
	<hr/>	<hr/>
Closing shareholder's funds	10,048,883	10,048,883
	<hr/>	<hr/>

## **IEG 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, 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.  
181 Bay Street Office,  
Brookfield Place,  
Toronto,  
ON,  
M5J 2T3

#### **16 EMPLOYEES**

The Company has no employees.