

Registered number  
05491200

*Inexus Limited*

Annual Report and Financial Statements  
For the year ended  
31 December 2016

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**Inexus Limited**  
**Annual report and financial statements**  
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**Inexus Limited**  
**Company Information**

**Directors**

D Corney  
C Linsdell  
G Collins

**Company secretary**

C Mumford

**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**

05491200

## **Inexus Limited**

### **Strategic Report**

The Directors present their strategic report, annual report and audited financial statements for the year ended 31 December 2016. The Directors in preparing this Strategic report have complied with S414C of the Companies Act 2006.

#### **Principal activities**

The Company operates principally as an intermediate holding Company within the BUUK Infrastructure Group (the "BUUK Group"), owned by BUUK Infrastructure 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.

##### *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.

#### **Results and review of business**

The profit for the year amounted to £6,698,761 (2015: £6,698,557). The Company's result was due to the intercompany loan arrangements of the Company due to its position as an intermediate holding company in the BUUK Infrastructure Group. The Company's profit was wholly generated by intercompany interest. At the year end the Company had net assets of £53,223,113 (2015: net assets of £46,524,352). The Company's financial position at the Statement of Financial Position date was as expected given it is wholly made up of fixed asset investments and related intercompany loan arrangements. The Company has given and received assurances that these balances will not be recalled within 12 months of the date of this report unless the relevant company has the ability to repay them. As an intermediate holding company, the Company does not have any specific KPIs. The KPIs of the Group can be found in the financial statements of BUUK Infrastructure No 2 Limited.

## **Inexus 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**

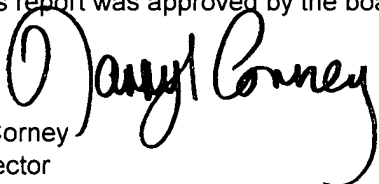
A fair and equal opportunities culture is operated throughout the Group. Employment opportunities, whether in the recruitment, training or promotion of employees, are granted on merit irrespective of race, colour, religion, national origin, age, gender, disability or sexual orientation.

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.

This report was approved by the board on 26 June 2017 and signed on its behalf.



D Corney  
Director

**Inexus Limited****Registered number:** 05491200**Directors' Report**

The Directors present their annual report and audited financial statements for the year ended 31 December 2016.

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 (2015: £nil).

**Directors**

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

D Corney  
C Linsdell  
G Collins (appointed 24/03/2017)

**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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

**Inexus Limited****Registered number:**

05491200

**Directors' Report****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**

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 26 June 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'D Corney', written in a cursive style.

D Corney  
Director

**Inexus Limited**  
**Independent auditor's report**  
**to the members of Inexus Limited**

We have audited the financial statements of Inexus Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 20. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, included within the Directors' Report, 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 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 2016 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, 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 and the Directors' Report.

**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.



Andrew Lowes  
(Senior Statutory Auditor)  
for and on behalf of  
Deloitte LLP  
Statutory Auditor  
London, United Kingdom

26 June 2017



**Inexus Limited**  
**Income Statement**  
**for the year ended 31 December 2016**

	Notes	2016 £	2015 £
<b>Operating result</b>	3	-	-
Interest receivable	5	54,898,888	54,856,706
Interest payable	6	(46,525,437)	(46,457,262)
<b>Profit on ordinary activities before taxation</b>		<u>8,373,451</u>	<u>8,399,444</u>
Tax on profit on ordinary activities	7	(1,674,690)	(1,700,887)
<b>Profit for the financial year</b>		<u>6,698,761</u>	<u>6,698,557</u>

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.

**Inexus Limited**  
**Statement of Financial Position**  
**as at 31 December 2016**

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investments	8	2,035,488	2,035,488
<b>Current assets</b>			
Debtors	9	627,078,484	572,179,596
<b>Creditors: amounts falling due within one year</b>	10	(575,890,859)	(492,690,732)
<b>Net current assets</b>		<u>51,187,625</u>	<u>79,488,864</u>
<b>Total assets less current liabilities</b>		<u>53,223,113</u>	<u>81,524,352</u>
<b>Creditors: amounts falling due after more than one year</b>	11	-	(35,000,000)
<b>Net assets</b>		<u>53,223,113</u>	<u>46,524,352</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,895,601	1,895,601
Share premium	13	139,887	139,887
Profit and loss account	14	51,187,625	44,488,864
<b>Total equity</b>		<u>53,223,113</u>	<u>46,524,352</u>

The financial statements of Inexus Limited, registered number 05491200, were approved by the Board of Directors and authorised for issue on **26** June 2017.

They were signed on its behalf by:

  
D Corney  
Director

**Inexus Limited**  
**Statement of Changes in Equity**  
**31 December 2016**

	<b>Share capital</b>	<b>Share premium</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2015</b>	1,895,601	139,887	37,790,307	39,825,795
Profit for the financial year	-	-	6,698,557	6,698,557
<b>At 31 December 2015</b>	<u>1,895,601</u>	<u>139,887</u>	<u>44,488,864</u>	<u>46,524,352</u>
<b>At 1 January 2016</b>	1,895,601	139,887	44,488,864	46,524,352
Profit for the financial year	-	-	6,698,761	6,698,761
<b>At 31 December 2016</b>	<u>1,895,601</u>	<u>139,887</u>	<u>51,187,625</u>	<u>53,223,113</u>

**Inexus Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2016**

**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 publically available. Exemptions have been taken in relation to the presentation of a cash flow statement and remuneration of key management personnel.

***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 2016. At 31 December 2016 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 £200 million. As at 31 December 2016 £159.3 million of the facilities remained undrawn. The facilities mature in 2020. 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 2021, 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.

***Fixed Asset Investments***

The Company's investments in shares of subsidiary undertakings are included at cost. The carrying value of fixed asset investments is reviewed for impairment if circumstances indicate that it may not be recoverable. The recoverable amount is deemed to be the higher of its value in use and its fair value less costs to sell.

***Group Financial Statements***

As an intermediate holding Company, the Company has taken the exemption from preparing consolidated financial statements under section 400 of the Companies Act 2006. Accordingly the financial statements present information about it as an entity, and not as a Group.

**Inexus Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2016**

**1 Summary of significant accounting policies (continued)**

***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.

***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.

**2 Critical accounting estimates and judgements**

The Directors consider that there are no critical judgements or sources of estimation uncertainty to be disclosed 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.

**3 Operating result**

Audit fees for the audit of the financial statements of the Company are £3,740 (2015 - £7,100); audit fees are borne by BUUK Infrastructure No 2 Limited.

**4 Directors' emoluments and staff costs**

The Directors received no emoluments in the year (2015: £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.

**Inexus Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2016**

<b>5 Interest receivable</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest due from fellow subsidiary undertakings	<u>54,898,888</u>	<u>54,856,706</u>

<b>6 Interest payable</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest payable to fellow subsidiary undertakings	2,345,693	2,277,520
Interest payable to immediate parent undertaking	<u>44,179,744</u>	<u>44,179,742</u>
	<u>46,525,437</u>	<u>46,457,262</u>

<b>7 Taxation</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in year</b>		
Current tax:		
Group relief with respect to the current year	1,674,690	1,700,887
	<u>1,674,690</u>	<u>1,700,887</u>
Tax on profit on ordinary activities	<u>1,674,690</u>	<u>1,700,887</u>

**Factors affecting tax charge for year**

There are no differences between the tax assessed for the year and the standard rate of corporation tax as illustrated below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>8,373,451</u>	<u>8,399,444</u>
Standard rate of corporation tax in the UK	20.00%	20.25%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	1,674,690	1,700,887
Total tax charge for year	<u>1,674,690</u>	<u>1,700,887</u>

**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 2016 (2015: £nil).

**Inexus Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2016**

**8 Investments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Shares in subsidiary undertakings	<u>2,035,488</u>	<u>2,035,488</u>

Fixed asset investments are in group undertakings and are stated at cost.

The Company's investments represent equity shares in Inexus Connections Limited, a wholly owned subsidiary incorporated in England and Wales. Inexus Connections Limited acts as an investment holding company.

The company indirectly holds share capital of the following companies:

<b>Name of Company</b>	<b>Holding</b>	<b>Country of Incorporation</b>	<b>Nature of Business</b>
Independent Pipelines Limited	100%	England and Wales	Ownership and operation of gas infrastructure in the UK
Quadrant Pipelines Limited	100%	England and Wales	Ownership and operation of gas infrastructure in the UK
Independent Meters Limited	100%	England and Wales	Ownership and operation of utility meters in the UK
Independent Power Networks Limited	100%	England and Wales	Ownership and operation of electric infrastructure in the UK
Inexus (Services) Limited	100%	England and Wales	Provider of central services to group companies
Connect Utilities Limited	100%	England and Wales	Procurement, design and management of utility infrastructure projects in the UK
Envoy Asset Management Limited	100%	England and Wales	Maintaining and managing gas, electricity and other utility assets
Farriss Holdings Limited	100%	England and Wales	Holding company
Farriss Limited	100%	England and Wales	Dormant
Commercial Meters Limited	100%	England and Wales	Ownership and operation of utility meters in the UK
Reactive Flow Controls Limited	100%	England and Wales	Dormant
Gas Engineering Services Limited	100%	England and Wales	Dormant
Independent Fibre Networks Limited	100%	England and Wales	Dormant
Independent Next Generation Networks Limited	100%	England and Wales	Ownership and operation of telecommunications infrastructure in the UK
Independent Service Provider Limited	100%	England and Wales	Provider of telecommunications services
Independent Water Networks Limited	100%	England and Wales	Ownership and operation of water infrastructure in the UK
Independent Community Heating Limited	100%	England and Wales	Ownership and operation of district heating infrastructure in the UK
Metropolitan Infrastructure Limited	100%	England and Wales	Procurement, design and management of utility infrastructure projects in the UK

The registered office of each of the above subsidiary undertakings is the same as that of the Company

**Inexus Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2016**

<b>9 Debtors</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts owed by fellow subsidiary undertakings	<u>627,078,484</u>	<u>572,179,596</u>

Amounts owed by the subsidiary undertakings are unsecured and repayable on demand. Interest charged is fixed at 14% (2015 - 14%) on principal amounts only, with interest not compounded.

<b>10 Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts owed to fellow group undertakings	14,396,625	5,240,290
Amounts owed to fellow group undertakings: term loan (see note 11)	35,000,000	-
Amounts owed to immediate parent company	<u>526,494,234</u>	<u>487,450,442</u>
	<u>575,890,859</u>	<u>492,690,732</u>

Amounts owed to the immediate parent company are unsecured and repayable on demand with interest charged at 13% (2015: 13%). The term loan is repayable in November 2017, with interest charged at LIBOR plus 6.5%. Other amounts owed to fellow group undertakings are unsecured and repayable on demand with interest charged at between 4.17% (2015: 0%). Interest is charged on principal amounts only, with interest not compounded.

<b>11 Creditors: amounts falling due after one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts owed to fellow group undertakings: term loan	<u>-</u>	<u>35,000,000</u>

**Term Loans**

Interest on the term loan is payable at the rate per annum equal to LIBOR, plus a margin of 6.50% (2015: LIBOR plus 6.50%).

**Security**

The term loan is secured by a fixed and floating charge over the assets of certain group companies.

Total term loans are analysed as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Due within 1 year	35,000,000	-
Due within 1 and 2 years	<u>-</u>	<u>35,000,000</u>
	<u>35,000,000</u>	<u>35,000,000</u>

The term loan is due for repayment on 17 November 2017.

<b>12 Share capital</b>	<b>Nominal value</b>	<b>2015 and 2016 Number</b>	<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1,895,601	<u>1,895,601</u>	<u>1,895,601</u>

<b>13 Share premium</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At 1 January and 31 December	<u>139,887</u>	<u>139,887</u>

The share premium reserve contains the premium arising on issue of equity shares, net of issue costs.



**Inexus Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2016**

<b>14 Profit and loss account</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At 1 January	44,488,864	37,790,307
Profit for the financial year	6,698,761	6,698,557
At 31 December	<u>51,187,625</u>	<u>44,488,864</u>

**15 Contingent liabilities**

The Company has entered into cross guarantees with fellow subsidiary undertakings, which guarantee certain borrowings of the Group. As at 31 December 2016 the total borrowings, as part of the BUUK Group, amounted to £1,168,493,000 (2015: £842,896,000).

**16 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.

**17 Controlling party**

The Company's immediate parent undertaking is Inexus Group 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: Suite 300, Brookfield Place, 181 Bay Street, Toronto, Canada.

**18 Presentation currency**

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

**19 Legal form of entity and country of incorporation**

Inexus Limited is a private company limited by shares incorporated in England & Wales.

**20 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