

Registered number  
07443511

Independent Fibre Retail Limited  
Annual Report and Financial Statements  
For the year ended  
31, December 2015



**Independent Fibre Retail Limited**  
**Report and financial statements**  
**Contents**

	<b>Page</b>
Company information	1
Strategic report	2
Directors' report	4
Independent auditor's report	6
Income statement	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10

## **Independent Fibre Retail Limited Company Information**

### **Directors**

D Corney  
C Linsdell  
A Robinson

### **Secretary**

C Mumford

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

### **Registered office**

Energy House  
Woolpit Business Park  
Woolpit  
Bury St Edmunds  
IP30 9UP

### **Registered number**

07443511

## **Independent Fibre Retail Limited Strategic Report**

The Directors present their strategic report, annual report and audited financial statements for the year ended 31 December 2015. The Directors in preparing this Strategic report, have complied with S414C of the Companies Act 2006.

### **Principal activities**

The Company operates fibre optic telecommunications in the UK.

### **Review of business**

The Company expects to continue with these activities. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year. The Company operates as part of the Brookfield Utilities UK Group and the Directors of the group do not consider individual entities in the group to have individual key performance indicators (KPI's). The Group's results are considered as a whole, and details of the performance can be found in the consolidated group accounts prepared by Brookfield Utilities UK No2 Limited.

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the Company are:

#### *Pricing*

Current fibre products are competitively priced against similar incumbent products. The prices and rate of return are not fixed by Ofcom.

#### *Regulatory*

Ofcom regulates industry participants and will keep the market under review but is very unlikely to introduce changes in the absence of Significant Market Power following a Formal Market Review.

#### *Volume*

The Company does not take any volume risk for fibre. It receives charges from the backhaul provider for use of the upstream fibre network which are passed through to the end user.

#### *Credit*

The Company contracts with the end customer. All charges levied on the end customer are charged up front except call charges. Not more than 10% of the Company's total revenues per site (approximately) equate to call charges and this percentage is expected to decrease as the business continues to grow.

### **Results**

The loss for the year, after taxation, amounted to £133,870 (2014 loss: £190,077). The Company performed in line with expectations during the year. At year-end the Company had net liabilities of £323,945 (2014: net liabilities of £190,075). The Company is financed through intercompany facilities for which it has received assurances from group companies providing finance that they will not recall balances before 12 months from the date of this report unless the Company is in a position to do so.

### **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.

## **Independent Fibre Retail Limited Strategic Report**

### **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**

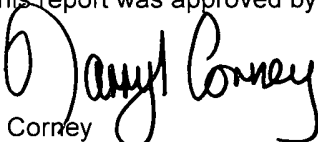
A fair and equal opportunities culture is operated throughout the Group. Employment opportunities, whether in the recruitment, training or promotion of employees, are granted on merit irrespective of race, colour, religion, national origin, age, gender, disability or sexual orientation.

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 12 July 2016 and signed on its behalf.

  
D Corney  
Director

**Independent Fibre Retail Limited**  
**Registered number:** 07443511  
**Directors' Report**

The Directors present their annual report and financial statements for the year ended 31 December 2015.

**Dividends**

The Directors do not recommend the payment of a final dividend (2014 - £nil).

**Directors**

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

D Corney  
C Linsdell  
A Robinson

**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.

**Going Concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the annual report and financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1 of the financial statements.

**Independent Fibre Retail Limited**

**Registered number:** 07443511

**Directors' Report**

**Auditor**

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

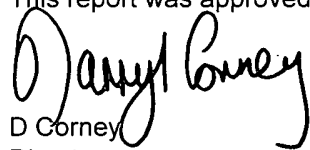
**Disclosure of information to auditors**

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 12 July 2016 and signed on its behalf.



D Corney  
Director

**Independent Fibre Retail Limited**  
**Independent auditor's report**  
**to the members of Independent Fibre Retail Limited**

We have audited the financial statements of Independent Fibre Retail Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14. 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 2015 and of its loss 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 the 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.



Simon Grant ACA  
Senior Statutory Auditor  
for and on behalf of  
Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

13 July 2016



**Independent Fibre Retail Limited**  
**Income Statement**  
**for the year ended 31 December 2015**

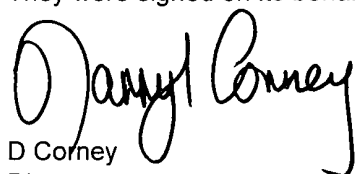
	Notes	2015 £	2014 £
<b>Turnover</b>	1	3,959,617	1,695,871
Cost of sales		(4,024,634)	(1,739,732)
<b>Gross loss</b>		<u>(65,017)</u>	<u>(43,861)</u>
Administrative expenses		(95,838)	(198,276)
<b>Operating loss</b>	2	<u>(160,855)</u>	<u>(242,137)</u>
<b>Loss on ordinary activities before taxation</b>		<u>(160,855)</u>	<u>(242,137)</u>
Tax on loss on ordinary activities	4	26,985	52,060
<b>Loss for the financial year</b>		<u>(133,870)</u>	<u>(190,077)</u>

All activities derive from continuing operations.

**Independent Fibre Retail Limited**  
**Statement of Financial Position**  
**as at 31 December 2015**

	Notes		2015 £	2014 £
<b>Current assets</b>				
Stocks	5	110,626	31,214	
Debtors	6	460,235	1,065,788	
Cash at bank and in hand		1,323,395	2,520	
		<u>1,894,256</u>	<u>1,099,522</u>	
<b>Creditors: amounts falling due within one year</b>	7	(2,218,201)	(1,289,597)	
<b>Net current liabilities</b>			<u>(323,945)</u>	<u>(190,075)</u>
<b>Net liabilities</b>			<u>(323,945)</u>	<u>(190,075)</u>
<b>Capital and reserves</b>				
Called up share capital	8		2	2
Profit and loss account	9		(323,947)	(190,077)
<b>Total equity</b>			<u>(323,945)</u>	<u>(190,075)</u>

The financial statements of Independent Fibre Retail Limited, registered number 07443511, were approved by the Board of Directors and authorised for issue on 12 July 2016.  
They were signed on its behalf by:

  
D Corney  
Director

**Independent Fibre Retail Limited**  
**Statement of Changes in Equity**  
**31 December 2015**

	Share capital	Profit and loss account	Total
	£	£	£
<b>At 1 January 2014</b>	2	-	2
Profit for the financial year	-	(190,077)	(190,077)
<b>At 31 December 2014</b>	<u>2</u>	<u>(190,077)</u>	<u>(190,075)</u>
<b>At 1 January 2015</b>	2	(190,077)	(190,075)
Profit for the financial year	-	(133,870)	(133,870)
<b>At 31 December 2015</b>	<u>2</u>	<u>(323,947)</u>	<u>(323,945)</u>

**Independent Fibre Retail Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

**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 date of transition to FRS 102 is 1 January 2014.

On transition no changes to accounting policy or transitional adjustments have been identified which affect the financial position and financial performance reported in the previous financial statements. Accordingly no amendments have been made to the financial position previously reported at 31 December 2014.

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

***Turnover***

Turnover represents the amounts receivable from the supply of goods and services during the year, net of Value Added Tax. Transportation income is recognised when services are provided and are rendered based upon usage during that period. All turnover and loss before taxation, by origin and destination, was attributable to the UK.

***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. BUUK had its investment grade rating from Moody's reaffirmed on 24 September 2015. At 31 December 2015 the Group had the following long term funding:

- Senior Secured Loan notes denominated in GBP (£600 million) and US\$ (US\$300 million). The loan notes are privately placed and have maturity dates ranging from 2023 to 2035. 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 2015 £160.5 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 2020, 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.

**Independent Fibre Retail Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

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

***Cash flow statement***

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by paragraph 1.12(b) of FRS 102 on the grounds that it is a member of a group where the parent of that group prepares publicly available consolidated financial statements.

***Stocks***

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

***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 periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

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.

**Independent Fibre Retail Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

**2 Operating loss**

Audit fees for the audit of the Company's annual accounts are £3,550 (2014 - £2,780); audit fees are borne by Brookfield Utilities UK No 2 Limited.

**3 Directors' emoluments and staff costs**

The Directors received no emoluments in the year (2014: £nil). 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 year with all administrative tasks undertaken by employees of fellow group undertakings.

**4 Taxation**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Analysis of credit in year</b>		
Current tax:		
Group relief credit in respect of the current year	(32,573)	(52,060)
Adjustments in respect of previous years	5,588	-
	<u>(26,985)</u>	<u>(52,060)</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
	<u>(26,985)</u>	<u>(52,060)</u>
Tax on loss on ordinary activities	<u>(26,985)</u>	<u>(52,060)</u>

**Factors affecting tax credit for year**

The tax assessed on the loss on ordinary activities for the year differs to the blended standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are reconciled below:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u>(160,855)</u>	<u>(242,137)</u>
Standard rate of corporation tax in the UK	20.25%	21.50%
	<b>£</b>	<b>£</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(32,573)	(52,059)
Effects of:		
Adjustments to tax charge in respect of previous years	5,588	-
Total tax credit for year	<u>(26,985)</u>	<u>(52,060)</u>

**Independent Fibre Retail Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

**4 Taxation (continued)**

**Factors that may affect future tax charges**

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 21% to 20% effective from 1 April 2015, was substantively enacted on 3 July 2013.

Reductions in the corporation tax rate to 19% from 1 April 2019 and 18% from 1 April 2020 were substantively enacted on 26 October 2015. Consequently deferred tax has been calculated at the year end using a tax rate of 18%.

The Company has no unrecognised deferred tax assets or liabilities as at 31 December 2015 (2014: £nil).

<b>5 Stocks</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	110,626	31,214

<b>6 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	271,368	104,085
Amounts owed by fellow subsidiary undertakings	32,574	871,126
Prepayments and accrued income	156,293	90,577
	<u>460,235</u>	<u>1,065,788</u>

Amounts owed by fellow subsidiary undertakings are unsecured and are repayable on demand. Interest charged is variable, at LIBOR plus 6.75% (2014 - LIBOR plus 6.75%).

<b>7 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts owed to immediate parent company	-	184,423
Amounts owed to fellow subsidiary undertakings	1,282,000	550,090
Other taxes and social security costs	463,084	324,952
Other creditors	22,848	5,587
Accruals and deferred income	450,269	224,545
	<u>2,218,201</u>	<u>1,289,597</u>

Amounts owed to fellow subsidiary undertakings and the immediate parent Company are unsecured and repayable on demand. Interest charged is variable, at LIBOR plus 6.75% (2014 - LIBOR plus 6.75%).

<b>8 Share capital</b>	<b>Nominal value</b>	<b>Number</b>	<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	2	<u>2</u>	<u>2</u>

**Independent Fibre Retail Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2015**

<b>9 Profit and loss account</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
At 1 January	(190,077)	-
Loss for the financial year	(133,870)	(190,077)
At 31 December	<u>(323,947)</u>	<u>(190,077)</u>

**10 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.

**11 Presentation currency**

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

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

Independent Fibre Retail Limited is a limited company incorporated in England & Wales.

**13 Principal place of business**

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

Energy House  
Woolpit Business Park  
Woolpit  
Bury St Edmunds  
IP30 9UP

**14 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.