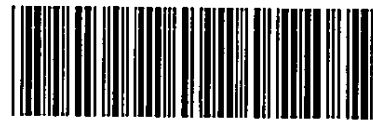


Registered Number: 02877397

**Centrica Energy (Trading) Limited
(formerly known as Accord Energy (Trading) Limited)**

**Annual report and Financial Statements
For the year ended 31 December 2011**

WEDNESDAY



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COMPANIES HOUSE

**Centrica Energy (Trading) Limited (formerly known as Accord Energy
(Trading) Limited)**

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Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Directors' report for the year ended 31 December 2011

The Directors present their report and the audited financial statements of Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited) ("the Company") for the year ended 31 December 2011

Principal activities

The principal activity of the Company is the provision of agency and arranging services to Centrica Energy Limited (formerly known as Accord Energy Limited) for transactions in physical energy products and energy related derivatives

Business review

Both the level of business during the year and the financial position of the Company at the year-end were in line with expectations and the Directors believe that the present level of activity will be sustained in 2012

On 1 February 2011, the Company changed its name from Accord Energy (Trading) Limited to Centrica Energy (Trading) Limited. There is no financial effect of this change

Future developments

The Directors expect the Company to continue to provide agency and arranging services to Centrica Energy Limited (formerly known as Accord Energy Limited) for the foreseeable future

Principal risks and uncertainties and financial risk management

From the perspective of the Company, the principal risk and uncertainty affecting the business and the execution of the Company strategy is that of non-compliance with the Financial Services Authority regulatory requirements. Compliance is managed by a dedicated regulatory compliance team

The Company's operations expose it to a number of financial risks. Given the size and nature of the Company these risks are managed by the finance department in accordance with Group guidelines set by Centrica plc. The principal financial risk facing the Company is credit risk, which arises on intercompany balances and its bank deposits. Bank deposits are only held with financial institutions which have been approved by Centrica plc

Key performance indicators

The Directors of Centrica plc (the 'Group'), the Company's ultimate parent undertaking, use a number of key performance indicators to monitor progress against the Group's strategy. The development, performance and position of the business which includes the Company, are discussed on pages 12-13 of the 2011 Annual Report and Accounts of the Group which does not form part of this report

Results and dividends

The results of the Company are set out on page 6

The profit on ordinary activities after taxation for the year ended 31 December 2011 is £1,371,000 (2010 £1,495,000)

No dividends were paid during the year and the Directors do not recommend the payment of a final dividend (2010 £nil)

Financial position

The financial position of the Company is presented in the balance sheet on page 7. Total shareholders' funds at 31 December 2011 were £9,713,000 (2010 £8,342,000), comprising net current assets of £9,713,000 (2010 £8,342,000)

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Directors' report for the year ended 31 December 2011 (continued)

Directors

The following served as Directors during the year and up to the date of signing this report

Mr V M Hanafin
Mr A D Le Poidevin
Mr A Netemeyer
Mr C J Stern (appointed 21 February 2011)

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the year under review. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Post balance sheet events

There were no post balance sheet events.

Creditor payment policy

It is the Company's policy to pay all of its creditors in accordance with the policies set out below.

- (i) agree the terms of payment in advance with the supplier,
- (ii) ensure that suppliers are aware of the terms of payment, and
- (iii) pay in accordance with contractual and other legal obligations.

The number of days' purchases outstanding as at 31 December 2011 was 4 days (2010: 7 days).

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the 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 prepared 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 judgements 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,
- 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.

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Directors' report for the year ended 31 December 2011 (continued)

Disclosure of information to auditors

Each of the Directors who held office at the date of approval of this Directors' report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office

This report was approved by the Board on 24 April 2012



For and on behalf of Centrica Secretaries Limited
Company Secretary

24 April 2012

Company registered in England and Wales No 02877397

Registered office
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Independent auditors' report to the members of Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

We have audited the financial statements of Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited) for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 2, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. 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 2011 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 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.

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Independent auditors' report to the members of Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) 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, 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

John Maitland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 April 2012

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Profit and Loss Account for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Turnover	1	14,968	16,337
Cost of sales	1	<u>(13,607)</u>	<u>(14,852)</u>
Profit on ordinary activities before interest and taxation		1,361	1,485
Interest receivable and similar income		10	10
Profit on ordinary activities before taxation		<u>1,371</u>	<u>1,495</u>
Tax on profit on ordinary activities	3	-	-
Profit for the financial year		<u>1,371</u>	<u>1,495</u>
Retained profit transferred to reserves	6	<u>1,371</u>	<u>1,495</u>

All gains for the year have been derived from continuing operations

There were no recognised gains or losses for the financial year and the prior other than as stated above

There are no material differences between the profit on ordinary activities before taxation and the retained profit for either year stated above and their historical cost equivalents


The related notes on pages 8 to 11 form part of these financial statements

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Balance Sheet as at 31 December 2011

		2011 £'000	2010 £'000
Current assets	Note		
Cash at bank and in hand		9,860	8,609
		<u>9,860</u>	<u>8,609</u>
Creditors (amounts falling due within one year)	4	(147)	(267)
		<u>9,713</u>	<u>8,342</u>
Net current assets			
		<u>9,713</u>	<u>8,342</u>
Total assets less current liabilities		<u>9,713</u>	<u>8,342</u>
Net assets		<u>9,713</u>	<u>8,342</u>
Capital and reserves			
Called up share capital	5	850	850
Profit and loss reserve	6	8,863	7,492
		<u>9,713</u>	<u>8,342</u>
Total shareholders' funds	7	<u>9,713</u>	<u>8,342</u>

The financial statements were approved and authorised for issue by the Board of Directors on 24 April 2012 and were signed on its behalf by



Andrew Le Poidevin
Director

The related notes on pages 8 to 11 form part of these financial statements

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Notes to the financial statements for the year ended 31 December 2011

1 Principal accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), all of which have been consistently applied. The principal accounting policies are set out below.

Exemptions

The company is a wholly-owned subsidiary of Centrica plc and is included in the consolidated financial statements of Centrica plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of the Centrica plc group.

Turnover

Turnover, which excludes value added tax, represents the value of amounts charged to Centrica Energy Limited (formerly known as Accord Energy Limited) for services provided, which represents a mark up of 10% on costs incurred. All of the turnover arises in the United Kingdom.

Cost of sales

Cost of sales relate to costs borne by Centrica Energy Limited (formerly known as Accord Energy Limited) in relation to regulated activities. These costs are then recharged to the Company. Costs recharged to the Company contain employee costs for individuals who are employed by Centrica Energy Limited (formerly known as Accord Energy Limited). Details of recharged employee costs are included in note 2. The Company has no employees (2010 nil).

Auditors' remuneration

Auditors' remuneration totalling £11,000 (2010 £11,000) relates to fees for the audit of the UK GAAP statutory accounts of the Company and includes fees in relation to the audit of the IFRS Group consolidation schedules, for the purpose of the Centrica Group audit, which also contribute to the audit of the Company. The auditors' remuneration of £11,000 (2010 £11,000) is borne by the immediate parent, Centrica Energy Limited (formerly known as Accord Energy Limited), and is not recharged.

Debtors and creditors

The intercompany balances between the Company and Centrica Energy Limited (formerly known as Accord Energy Limited) are disclosed on a net basis, as the intercompany debtor and creditor amounts are settled net in practice and there is a service level agreement in place that states that the amounts shall be settled net.

Taxation

Current tax, including UK corporation 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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Notes to the financial statements for the year ended 31 December 2011 (continued)

2 Directors' and employee information

The Company has no employees. Costs attributed to employees seconded to the Company under the terms of the service level agreement with Centrica Energy Limited (formerly known as Accord Energy Limited) are £3,326,000 (2010: £3,356,000) and are included within a management charge. The remuneration of those employees is included within the financial statements of Centrica Energy Limited (formerly known as Accord Energy Limited).

A number of the Directors hold other directorships across the Centrica plc group and therefore their total emoluments and pension contributions have been allocated across these companies on an appropriate basis for disclosure purposes.

The aggregate allocated emoluments paid to Directors in respect of their qualifying services is £515,714 (2010: £572,510). The aggregate allocated value of company contributions paid to a pension scheme in respect of Directors' qualifying services was £34,244 (2010: £49,812).

There were two Directors (2010: three) to whom retirement benefits are accruing under defined benefit pension schemes. There was one Director (2010: three) who exercised share options relating to the ultimate parent company. There were two Directors (2010: two) who received shares in the ultimate parent company in respect of their qualifying services under a long-term incentive scheme.

The highest paid Director received emoluments of £245,808 (2010: £263,027) and the Company contributed £nil (2010: £16,677) to their pension scheme. In the prior year, the highest paid Director received shares in respect of qualifying services under a long-term incentive scheme and exercised share options.

Vincent Mark Hanafin is a Director of Centrica plc, the ultimate parent company. His emoluments and pension contributions in respect of his services to the Company are deemed to be nil. Details of his overall remuneration are included in the Centrica plc annual report.

3 Tax on profit on ordinary activities

	2011 £'000	2010 £'000
(a) Analysis of tax charge in the year		
The tax charge comprises		
Current tax:		
United Kingdom corporation tax at 26.5% (2010: 28%)	-	-
Total current tax	<u>-</u>	<u>-</u>

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Notes to the financial statements for the year ended 31 December 2011 (continued)

3 Tax on profit on ordinary activities (continued)

(b) Factors affecting the tax charge 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 profit before tax is as follows

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	1,371	1,495
Tax on profit on ordinary activities at standard UK corporation tax rate of 26.5% (2010: 28%)	363	419
Effects of		
Group relief received for nil consideration	(360)	(416)
UK-UK transfer pricing adjustment	(3)	(3)
Tax charge for the year	-	-

No deferred tax arises on the Company's activities during the year (2010: nil)

A number of changes to the UK corporation tax system were announced in the March 2011 and the March 2012 Budget Statements. The main rate of corporation tax was reduced from 28% to 26% from 1 April 2011 and was substantively enacted on 29 March 2011. A further reduction to 25% from 1 April 2012 was substantively enacted on 5 July 2011 and a further reduction to 24% from 1 April 2012 was substantively enacted on 26 March 2012. Further reductions to the main rate are proposed to further reduce the rate by 1% per annum to 22% by 1 April 2014. The impact of these proposed changes on the financial statements would be nil since the Company has no deferred tax balances.

4 Creditors (amounts falling due within one year)

	2011 £'000	2010 £'000
Amounts due to group undertakings	(147)	(267)
	(147)	(267)

Amounts due to group undertakings are unsecured, have a fixed date of repayment and are not interest bearing.

5 Called up share capital

	2011 £'000	2010 £'000
Allotted and fully paid share capital		
850,000 ordinary shares of £1 each	850	850

Centrica Energy (Trading) Limited (formerly known as Accord Energy (Trading) Limited)

Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Reserves

Profit and loss reserve	2011 £'000	2010 £'000
As at 1 January	7,492	5,997
Profit for the financial year	1,371	1,495
As at 31 December	<u>8,863</u>	<u>7,492</u>

7 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial year	1,371	1,495
Shareholders' funds as at 1 January	8,342	6,847
Shareholders' funds as at 31 December	<u>9,713</u>	<u>8,342</u>

8 Ultimate parent undertaking

The Company's immediate parent undertaking is Centrica Energy Limited (formerly known as Accord Energy Limited), a company registered in England and Wales

The Company's ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales which is the only company to include these financial statements in its consolidated financial statement. Copies of the Centrica plc consolidated financial statements can be obtained from www.centrica.com