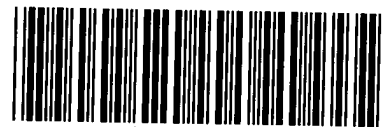


**Registered Number: 02949541**

**Humberland Limited**

**Annual Report and Financial Statements  
For the year ended 31 December 2014**

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# **Humberland Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2014**

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# Humberland Limited

## Strategic Report for the year ended 31 December 2014

The Directors present the Strategic Report of Humberland Limited ("the Company") for the year ended 31 December 2014.

### Business review

The Company's principal activity during the year was the leasing of a 1,285 MW gas-fired power station at Stallingborough, North East Lincolnshire, known as the South Humber Bank Power Station, to Centrica SHB Limited.

During the year, Humberland Limited continued its activity of leasing the gas-fired power station to its immediate parent company, Centrica SHB Limited. Trading was in line with Directors expectations for the year.

On 31 December 2014, as part of an internal reorganisation, the trade and assets of Humberland Limited were transferred to its parent company, Centrica SHB Limited, in exchange for £350,185,900 consideration. Following the transfer, on 31 December 2014, Humberland Limited declared and paid an interim dividend of £350,186,000 to Centrica SHB Limited.

As the business activities of the Company have been transferred to Centrica SHB Limited, it is envisaged that the Company will be classed as non-trading from now on.

In light of changed circumstances Centrica Plc (the ultimate parent undertaking) launched a fundamental strategic review in February, focused on: i) outlook and sources of growth; ii) portfolio mix and capital intensity; iii) operating capability and efficiency; and iv) Group financial framework. The conclusions of the strategic review were announced on 30 July 2015 as part of the Centrica plc interim results. The impact of this strategic review on the Company is yet to be fully determined but it will be the focus of the Directors during the remainder of 2015.

### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 40-45 of the Centrica plc 2014 Annual Report and Accounts, which does not form part of this report.

### Key performance indicators (KPIs)

The Directors of the Group use a number of key performance indicators to monitor progress against the Group's strategy. The development and performance of the Group, which includes the Company, are discussed on pages 18-19 of the Centrica plc 2014 Annual Report and Accounts, which does not form part of this report.

### Going concern

The Directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company Centrica plc. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after these financial statements have been signed.

This Strategic Report was approved by the Board on 25 September 2015.



J. ELLIOT

By order of the board for and on behalf of Centrica Secretaries Limited  
Company Secretary

Company registered in England and Wales No. 02949541

Registered office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

# Humberland Limited

## Directors' Report for the year ended 31 December 2014

The Directors present their report and the audited financial statements of Humberland Limited ("the Company") for the year ended 31 December 2014.

### Future developments

On 31 December 2014, as part of an internal reorganisation by the ultimate parent company, the trade and assets of the Company were transferred to the parent company Centrica SHB Ltd, in exchange for £350,185,900 consideration. The trade of the Company will be taken on in Centrica SHB Ltd from this date.

As the business activities of the Company have been transferred to Centrica SHB Ltd it is envisaged that the Company will be classed as non-trading from now on.

### Financial risk management

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed. Exposure to counterparty credit risk and liquidity risk arises in the normal course of the Company's business:

- Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits. Credit risk is predominantly limited to exposures with other Centrica plc group undertakings.
- Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly.
- Liquidity risk is managed through funding arrangements with Centrica plc group undertakings.

The Company did not take part in hedging of any kind (2013: £nil). The Company would hedge foreign currency risk if the need arose.

### Results and dividends

The results of the Company are set out on page 6.

The Company made a profit for the financial year of £91,039,000 (2013: £41,250,000). An interim dividend of £350,186,000 was paid on 31 December 2014 (2013: £nil). The Directors do not recommend the payment of a final dividend (2013: £nil).

### Financial position

The financial position of the Company is presented in the Balance Sheet on page 7. The shareholders' funds at 31 December 2014 were £nil (2013: £259,147,000).

### Directors

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

Richard McCord

Mark Futyan (Appointed 22 April 2014)

John Knight (Appointed 1 January 2014, Resigned 24 October 2014)

Greame Collinson (Resigned 1 January 2014)

John Watts (Resigned 22 April 2014)

Peter Koch de Gooreynd (Appointed 2 February 2015)

### 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.

# Humberland Limited

## Directors' Report for the year ended 31 December 2014 (continued)

### Going concern

The Directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company Centrica plc. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after these financial statements have been signed.

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 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.


### 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 25 September 2015.



J. ELLIST

By order of the board for and on behalf of Centrica Secretaries Limited  
Company Secretary

Company registered in England and Wales No. 02949541

Registered office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL45GD

# **Humberland Limited**

## **Independent Auditors' Report to the members of Humberland Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Centrica Humberland Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

#### **What we have audited**

Centrica Humberland Limited's financial statements comprise:

- Balance Sheet as at 31 December 2014
- Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# **Humberland Limited**

## **Independent Auditors' Report to the members of Humberland Limited (continued)**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the Directors**

As explained more fully in the Statement of Directors' responsibilities, 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) ("ISAs (UK & 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.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

Mark King (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
25 September 2015

## Humberland Limited

### Profit and Loss Account for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Turnover	3	75	75
Cost of sales		-	-
<b>Gross profit</b>		<u>75</u>	<u>75</u>
Administrative expenses		(11)	(53)
<b>Operating profit</b>	4	<u>64</u>	<u>22</u>
Exceptional item - loss on transfer of assets to Group undertaking	5	(426)	-
Interest receivable and similar income	8	46,334	60,430
Interest payable and similar charges	9	(31,089)	(31,088)
<b>Profit on ordinary activities before taxation</b>		<u>14,883</u>	<u>29,364</u>
Tax on profit on ordinary activities	10	76,156	11,886
<b>Profit for the financial year</b>	17	<u><u>91,039</u></u>	<u><u>41,250</u></u>

The Company has no recognised gains or losses other than the profit for the financial year above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

All results relate to discontinued operations.

The notes on pages 8 to 16 form part of these financial statements.



# Humberland Limited

## Balance Sheet as at 31 December 2014

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Tangible assets	11	-	2,210
<b>Debtors - amounts falling due after more than one year</b>	13	-	453,884
<b>Current assets</b>			
Debtors - amounts falling due within one year	12	-	373,767
		-	373,767
<b>Creditors - amounts falling due within one year</b>	14	-	(488,237)
<b>Net current liabilities</b>		-	(114,470)
<b>Total assets less current liabilities</b>		-	341,624
<b>Provisions for liabilities</b>	15	-	(82,477)
<b>Net assets</b>		-	259,147
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Revaluation reserve	17	-	842
Profit and loss account	17	-	258,305
<b>Total shareholders' funds</b>	18	-	259,147

The notes on pages 8 to 16 form part of these financial statements.

The financial statements on pages 6 to 16 were approved and authorised for issue by the Board of Directors on 25 September 2015 and were signed on its behalf by:



**Richard McCord**  
Director

Registered Number: 02949541

# **Humberland Limited**

## **Notes to the Financial Statements for the year ended 31 December 2014**

### **1. Principal accounting policies**

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and the applicable United Kingdom accounting standards. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### **Going concern**

The Directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company Centrica plc. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after these financial statements have been signed.

#### **Turnover**

Turnover is recognised on an accruals basis and relates to operating lease income from a fellow Group undertaking.

#### **Tangible assets**

Tangible assets, with the exception of freehold land, are stated at cost. During 1995 the Company's freehold land was valued by the Directors on an open market, existing use basis.

Tangible assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged on all fixed assets, other than freehold land.

#### **Finance lease receivables**

From the point at which each phase of the power station became operational, assets were leased to the Company's parent undertaking under an agreement, which transfers substantially all the risks and rewards of ownership, other than legal title. Income arising under this agreement is allocated according to accounting years so as to give a constant rate of return on the net cash investment in the lease.

#### **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 substantially 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 as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profits will be available against which the unused tax losses can be utilised.

# Humberland Limited

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 1. Principal accounting policies (continued)

#### Impairment

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Recoverable amount is the higher of net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

A previously recognised impairment loss on a tangible asset is reversed only because of a change in economic conditions or in the expected use of the asset. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the Profit and Loss Account immediately. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

### 2. Cash flow statements and related party disclosures

The Company is a wholly-owned subsidiary of Centrica SHB Limited 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 Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements". The Company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Disclosures" from disclosure of transactions with other wholly owned companies that are part of the Centrica plc group.

### 3. Turnover

All turnover relates to the principal activity of the business and occurs wholly in the United Kingdom.

### 4. Operating profit

	2014 £000	2013 £000
Operating profit is stated after charging/(crediting):		
Auditors' remuneration	<u>6</u>	<u>5</u>

Auditors' remuneration totalling £5,000 (2013: £5,000) relates to fees for the audit of the UK GAAP statutory financial statements of Humberland Limited. Auditors' remuneration totalling £1,000 (2013: £nil) relates to non-audit work in respect of the Company.

## **Humberland Limited**

### **Notes to the Financial Statements for the year ended 31 December 2014 (continued)**

#### **5. Loss on transfer of assets to Group undertaking**

On 31 December 2014, as part of an internal reorganisation by the ultimate parent company, the trade and assets of the Company were transferred to Centrica SHB Limited. The transfers took place in exchange for £350,185,900 consideration and resulted in a loss of £426,000. This loss constitutes a distribution under UK Company Law. Following the transfer, on 31 December 2014 the Company declared and paid an interim dividend of £350,186,000 to Centrica SHB Limited. The trade of the Company will be taken on by Centrica SHB Limited from this date.

#### **6. Directors' emoluments**

The emoluments of the Directors are not paid to them in their capacity as directors of the Company and are payable for services wholly attributable to other Centrica plc subsidiary undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements.

#### **7. Employee information**

The Company has no direct employees (2013: nil).

#### **8. Interest receivable and similar income**

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Interest receivable from Group undertakings	<b>59</b>	12,651
Intra-Group finance lease interest	<b>46,275</b>	<b>47,779</b>
	<b>46,334</b>	<b>60,430</b>

#### **9. Interest payable and similar charges**

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Interest payable to Group undertakings	<b>31,089</b>	<b>31,088</b>

# Humberland Limited

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 10. Tax on profit on ordinary activities

	2014 £000	2013 £000
<b>(a) Analysis of tax credit in the year</b>		
The tax credit comprises:		
<b>Current tax:</b>		
UK corporation tax at 21.50% (2013: 23.25%)	6,238	7,006
Adjustment in respect of previous periods	83	-
<b>Deferred tax:</b>		
Effect of change to deferred tax rate	6,158	(12,362)
Origination and reversal of timing differences	(3,293)	(907)
Deferred Tax transfer on hive up	(85,342)	-
Adjustments in respect of prior years	-	(5,623)
<b>Tax on profit on ordinary activities</b>	<b>76,156</b>	<b>(11,886)</b>

### (b) Factors affecting the 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 profit before tax are as follows:

	2014 £000	2013 £000
<b>Profit on ordinary activities before tax</b>	<b>14,883</b>	<b>29,364</b>
Tax on profit on ordinary activities at standard UK corporation tax rate of 21.50% (2013: 23.25%)	3,199	6,827
Effects of:		
Capital allowances in excess of depreciation	-	(2,314)
Other timing differences	3,293	3,221
Group relief for nil consideration	-	-
UK:UK transfer pricing adjustments	(332)	(728)
Expenses not deductible for tax purposes	94	-
Income not taxable for tax purposes	(16)	-
Adjustments to tax charge in respect of previous periods	83	-
<b>Current tax charge for the year</b>	<b>6,321</b>	<b>7,006</b>

The main rate of corporation tax was reduced from 23% to 21% from 1 April 2014. A further reduction to reduce the rate to 20% from 1 April 2015 was substantively enacted in Finance Act 2013 on 2 July 2013 and have been reflected within these financial statements.

## Humberland Limited

### Notes to the Financial Statements for the year ended 31 December 2014 (continued)

#### 11. Tangible assets

	Freehold land £000	Total £000
<b>Cost or valuation</b>		
At 1 January 2014	2,210	2,210
Disposals to Group undertakings	<u>(2,210)</u>	<u>(2,210)</u>
<b>At 31 December 2014</b>	<u>-</u>	<u>-</u>
<b>Accumulated depreciation</b>		
At 1 January 2014	-	-
Disposals to Group undertakings	<u>-</u>	<u>-</u>
<b>At 31 December 2014</b>	<u>-</u>	<u>-</u>
<b>Net book value</b>		
<b>At 31 December 2014</b>	<u>-</u>	<u>-</u>
At 31 December 2013	<u>2,210</u>	<u>2,210</u>

On 31 December 2014, as part of an internal reorganisation by the ultimate parent company, the assets and liabilities of the Company were transferred to Centrica SHB Limited (note 5).

# Humberland Limited

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 12. Debtors – amounts falling due within one year

	2014 £000	2013 £000
Net investment in intra-Group finance leases	-	15,722
Amounts owed by parent undertaking	-	358,045
	<u>-</u>	<u>373,767</u>

### 13. Debtors – amounts falling due after more than one year

	2014 £000	2013 £000
Net investment in intra-Group finance leases	<u>-</u>	<u>453,884</u>
Maturity of net investment in intra-Group finance leases:	2014 £000	2013 £000
Less than one year	-	15,722
Between one and five years	-	107,210
Over five years	-	346,674
	<u>-</u>	<u>469,606</u>

### 14. Creditors – amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to Group undertakings	-	488,183
Accruals and deferred income	-	54
	<u>-</u>	<u>488,237</u>

On 31 December 2014, as part of an internal reorganisation by the ultimate parent company, the trade and assets of the Company were transferred to Centrica SHB Limited in exchange for £350,186,000 consideration.

Included within the 2013 amounts owed to Group undertakings was a net payable of £12,985,000 consisting of interest bearing and non-interest bearing balances to the same Group undertaking. The interest bearing balance comprises a receivable of £457,065,000 that bore interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The non-interest bearing balance comprised a payable of £470,050,000. The quarterly rates ranged between 2.34% and 3.19%.

# Humberland Limited

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 15. Provisions for liabilities

	As at 1 January 2014 £000	Profit and loss charge / (credit) £000	As at 31 December 2014 £000
Deferred taxation			
- accelerated capital allowances	(9,072)	9,072	-
- other timing differences	91,549	(91,549)	-
	<u>82,477</u>	<u>(82,477)</u>	<u>-</u>

Deferred corporation tax liability is analysed as follows:

	Provided		Unprovided	
	This year £000	Last year £000	This year £000	Last year £000
Deferred corporation tax				
- accelerated capital allowances	-	(9,072)	-	-
- other timing differences	-	91,549	-	-
	<u>-</u>	<u>82,477</u>	<u>-</u>	<u>-</u>

### 16. Called up share capital

	2014 £	2013 £
Allotted and fully paid		
100 (2013: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 17. Reserves

	Revaluation reserve £000	Profit and loss account £000	Total £000
At 1 January 2014	842	258,305	259,147
Profit for the financial year	-	91,039	91,039
Realisation of revaluation reserve	(842)	842	-
Dividends paid (note 18)	-	(350,186)	(350,186)
At 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>

The revaluation reserve arose from the upwards revaluation of freehold land. Subsequent to the disposal of this land at its revalued amount during the year, the Company has realised the gain previously held as a revaluation surplus in the Profit and loss account.



# Humberland Limited

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 18. Reconciliation of movements in shareholders' funds

	2014	2013
	£000	£000
Opening shareholders' funds	259,147	217,897
Profit for the financial year	91,039	41,250
Dividends paid	(350,186)	-
<b>Closing shareholders' funds</b>	<b>-</b>	<b>259,147</b>

On 31 December 2014, the Company declared and paid an interim dividend of £350,186,000 to its parent company, Centrica SHB Limited.

### 19. Composite debenture

The Company and its immediate parent company, Centrica SHB Limited, have entered into a composite debenture, whereby they each created security in favour of three Centrica pension schemes over all of their assets and undertakings. The composite debenture creates a fixed and floating charge over all of the assets of Humberland Limited and Centrica SHB Limited (effectively the Humber Power Station), whereby the trustees of the pension funds can, in the event of a defined event of default by Centrica plc and certain other Centrica group companies, enforce their security, ultimately through taking over the operation of the Humber Power Station and selling it as a going concern.

The composite debenture charges the real property which constitutes Humber Power Station and all its fixtures and fittings, the benefit of certain contractual interests held by Humberland Limited and Centrica SHB Limited (such as insurance policies, intra-Group company loans and key operational and commercial contracts) and the shares which GB Gas Holdings Limited holds in Centrica SHB Limited, and the shares which Centrica SHB Limited holds in Humberland Limited. As the business activities of the Company have been transferred to Centrica SHB Limited, it is envisaged that Humberland Limited will be classed as non-trading from now on.

### 20. Capital and other commitments

Contracted future capital expenditure as at 31 December 2014 was £nil (2013: £nil).

## **Humberland Limited**

### **Notes to the Financial Statements for the year ended 31 December 2014 (continued)**

#### **21. Ultimate parent undertaking**

The Company's immediate parent undertaking is Centrica SHB 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 statements. Copies of the Centrica plc consolidated financial statements may be obtained from [www.centrica.com](http://www.centrica.com).