

**REGISTERED NO: 3271974**



**Centrica Quest Limited**

**Annual Report for the year ended 31 December 2001**

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## **Centrica Quest Limited**

### **Directors' report for the year ended 31 December 2001**

The directors present their report and audited financial statements of Centrica Quest Limited (the "Company") for the year ended 31 December 2001.

#### **Principal activities**

The principal activity of the Company is to act as trustee in respect of the provision of shares to participants in Centrica plc's Sharesave Scheme.

#### **Financial results and dividends**

The results of the Company are set out on pages 5 to 8. The directors do not recommend the payment of a dividend for the period ended 31 December 2001 (2000 Nil).

#### **Creditor payment policy**

The Company aims to pay all of its creditors (of which none were trade creditors) promptly.

#### **Directors and their interests**

The following served as directors during the year:

	<b>Appointed</b>	<b>Resigned</b>
C E Chamberlain	24 March 1997	-
E Clarkson	24 March 1997	17 March 2002
D Macmillan	24 March 1997	-
D R Woodward	4 September 2001	-
A Garrihy	24 March 1997	2 August 2001
L E Caldwell	2 August 2001	4 September 2001

B Phillips was appointed as an alternate director to C E Chamberlain from 29 May 2000 to 15 February 2001.

At no time during the year ended 31 December 2001, did any director have any interest in the shares of the Company or any other company within the Centrica group, except for interests in, and options over, the shares and interests of the ultimate parent company, Centrica plc as set out below:

#### **Interests in the ordinary shares**

	<b>As at 31 Dec. 2001</b>	<b>As at 31 Dec. 2000</b>
C E Chamberlain	-	-
E Clarkson	4,284	8,347
D Macmillan	2,452	2,169
D R Woodward	-	-

Interest shown include shares held under the terms of the Centrica plc profit sharing scheme, where applicable.

## Centrica Quest Limited

### Directors' report for the year ended 31 December 2001- continued

#### Sharesave

	As at 31 Dec. 2001	Exercised	Granted	As at 31 Dec. 2000
C E Chamberlain	-	-	-	-
E Clarkson	11,306	1,691	811	12,186
D Macmillan	33,482	-	-	33,482
D R Woodward	-	-	-	-

Options over shares in Centrica plc granted in June 1997, June 1998, June 2000 and April 2001 were at an option price of 46.4 pence, 92.2 pence, 202.5 pence and 191 pence respectively.

The closing price of a Centrica plc ordinary share on the last day of trading of 2001 (31 December) was 222 pence. The range during the year was 257 pence (high) and 199.75 pence (low).

There were no contracts of significance existing during or at the end of the financial period to which the Company or any of its subsidiary and associated undertakings is a party and in which any director is or was materially interested.

#### Directors' and officers' liability

The ultimate parent company has maintained insurance cover for all the directors and officers against liabilities in relation to the company.

#### Auditors

PricewaterhouseCoopers have expressed their willingness to continue in office as auditors of the Company.

In accordance with the Companies Act 1985, the Company has passed an elective resolution to dispense with the need to appoint auditors on an annual basis, as permitted by Section 386 of the Companies Act.

This report was approved by the Board on 9 October 2002

By order of the Board



I Ritchie  
For and behalf of  
Centrica Secretaries Limited  
Company Secretary

9 October 2002

Registered office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

## **Centrica Quest Limited**

### **Statement of directors' responsibilities for preparing the financial statements**

The directors are required by the Companies Act 1985 to prepare financial statements for each year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 5 to 8, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Centrica Quest Limited**

### **Independent auditors' report to the members of Centrica Quest Limited**

We have audited the financial statements on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

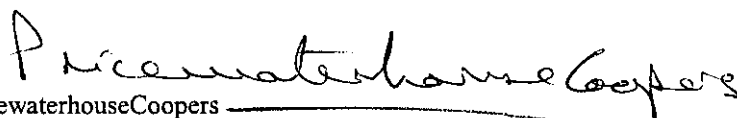
#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London WC2N 6RH  
9 October 2002

## **Centrica Quest Limited**

### **Profit and loss account for the year ended 31 December 2001**

The Company did not enter into any revenue transactions during the year (2000: nil). There were no recognised gains or losses (2000: nil). The audit fee was borne by the ultimate parent company in both 2001 and 2000.

# Centrica Quest Limited

## Balance Sheet as at 31 December 2001

	Note	2001 £	2000 £
<b>Current assets</b>			
Debtors (amounts falling due within one year)	3	-	1,350
Cash at bank and in hand		<u>60,816</u>	<u>56,064</u>
		<u>60,816</u>	<u>57,414</u>
<b>Creditors (amounts falling due within one year)</b>	4	<u>(60,814)</u>	<u>(57,412)</u>
<b>Net current and total assets</b>		<u>2</u>	<u>2</u>
<b>Capital and reserves - equity interests</b>			
Called up share capital	5	2	2
<b>Shareholders' funds</b>	6	<u>2</u>	<u>2</u>

The financial statements on pages 5 to 8 were approved by the Board of Directors on 9 October 2002 and were signed on its behalf by:



D R Woodward  
Director

The notes on pages 7 to 8 form part of these financial statements.



# Centrica Quest Limited

## Notes to the financial statements for the year ended 31 December 2001

### 1 Principal accounting policies

#### Accounting principles

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and the Companies Act 1985.

#### Exemptions

As the Company is a wholly owned subsidiary undertaking of Centrica plc, the Company has taken advantage of the exemptions within: Financial Reporting Standard No 1 "Cash Flow Statements" from presenting a cash flow statement and Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other group companies.

### 2 Directors and employees

#### a) Directors

The Directors received no emoluments during the period ended 31 December 2001 (2000: nil) in respect of their services to the Company.

All four directors are members of the ultimate parent company's defined benefit pension scheme. Directors' interests are shown in the Directors' Report on pages 1 and 2.

#### b) Employees

There were no employees of the Company (2000: nil).

### 3 Debtors (amounts falling due within one year)

	2001	2000
	£	£
Amounts owed by group undertakings	-	1,350
	<u>-</u>	<u>1,350</u>

### 4 Creditors (amounts falling due within one year)

	2001	2000
	£	£
Amounts owed to group employees	60,648	54,557
Amounts owed to group undertakings	166	2,855
	<u>60,814</u>	<u>57,412</u>

## Centrica Quest Limited

### Notes to the financial statements for the year ended 31 December 2001- continued

#### 5 Called up share capital

	2001 £	2000 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	100	100
<b>Issued, allotted and fully paid:</b>		
2 ordinary shares of £1 each	2	2

#### 6 Movements in shareholders' funds

	2001 £	2000 £
Shareholders' funds as at 1 January	2	2
Profit for the year	-	-
Shareholders' funds as at 31 December	2	2

#### 7 Ultimate parent undertaking

Centrica plc is the ultimate parent undertaking and the only group to consolidate the accounts of the Company.

Copies of the Annual Report and Accounts of Centrica plc may be obtained from the Company Secretary, Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.