

Centrica Electric Limited

Annual report
For the year ended 31 December 2005

Registered Number: 3275458



Centrica Electric Limited

Annual report for the year ended 31 December 2005

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Centrica Electric Limited

Directors' report for the year ended 31 December 2005

The directors present their report and the audited financial statements of Centrica Electric Limited ("the Company") for the year ended 31 December 2005.

Principal activities

On 1 March 2004 the company was issued 100% of the irredeemable preference shares of Centrica Barry Limited, a wholly owned subsidiary of GB Gas Holdings Ltd. Prior to this the company was dormant.

Results and dividends

The profit on ordinary activities after taxation for the year ended 31 December 2005 is £239,000 (2004: £101,000).

No dividends were paid for the year ended 31 December 2005 (2004: £Nil).

Directors

The following served as directors throughout the year:

	Date of Appointment
Centrica Directors Limited	01/11/2001

Directors' interests in shares (as defined by Section 325 of the Companies Act 1985)

At no time did any Director holding office at 31 December 2005, have any interest in the shares of the Company (2004: Nil) or any other company within the Centrica plc Group except for the interests in, and the options over, the shares and interests of the ultimate parent company, Centrica plc.

Directors' and officers liability insurance

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the year under review.

Employees

The Company had no employees at 31 December 2005 (2004: Nil).

Related party transactions

The Company has taken advantage of the exemptions within Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other Centrica group companies. There have been no other discloseable related party transactions during the year (2004: £Nil).

Political and charitable donations

The Company made no political or charitable donations during the year (2004: £Nil).

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.

Centrica Electric Limited

Directors' report for the year ended 31 December 2005 (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to reappoint auditors annually, and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the Board on 30 October 2006

for and on behalf of
Centrica Secretaries Limited
Company Secretary



Registered office:

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica Electric Limited

Independent auditors' report to the Members of Centrica Electric Limited

We have audited the financial statements of Centrica Electric Limited for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Hull

PricewaterhouseCoopers LLP

31/10/06

Centrica Electric Limited

Profit and loss account for the year ended 31 December 2005

	Note	31 December 2005 £'000	31 December 2004 £'000
Turnover		-	-
Cost of sales		-	-
Operating profit	3	-	-
Other income	6	239	101
Profit on ordinary activities before taxation		239	101
Tax on profit on ordinary activities	7	-	-
Profit on ordinary activities after taxation		239	101
Dividends		-	-
Retained profit for the year		239	101

All activities relate to continuing operations.

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

Statement of total recognised gains and losses for the year ended 31 December 2005

	31 December 2005 £'000	31 December 2004 £'000
Profit for the financial year	239	101
Unrealised gains on shares in group company	-	2,466
Total recognised gains and losses for the year	239	2,567
Total recognised gains and losses since last annual report	239	2,567

The unrealised gain on shares relates to the issue on 1 March 2004 of irredeemable preference shares by Centrica Barry Limited (see note 8).

Centrica Electric Limited

Balance sheet as at 31 December 2005

		2005	2004
	Note	£'000	£'000
Fixed assets			
Investments	8	2,466	2,466
Current assets			
Debtors	9	340	101
Net current assets		340	101
Net assets		2,806	2,567
Capital and reserves			
Called-up share capital	10	-	-
Profit and loss reserve	11	340	101
Other reserves	11	2,466	2,466
Equity shareholders funds	12	2,806	2,567

The financial statements on pages 4 to 9 were approved and authorised for issue by the Board of Directors on 30 October 2006 and were signed on its behalf by:



Director

Centrica Electric Limited

Notes to the financial statements for the year ended 31 December 2005

1 Statement of accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the applicable Accounting Standards and the Companies Act 1985. The principal accounting policies are set out below.

Investments

Fixed asset investments are shown at cost or fair market value less any provision for impairment (see note 8).

Deferred 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 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.

2 Cash flow statements and related party disclosures

The Company is a wholly-owned subsidiary of GB Gas Holdings 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 No. 1 "Cash Flow Statements". The Company is also exempt under the terms Financial Reporting Standard No. 8 "Related Party Disclosures" from disclosure of transactions with other companies that are part of the Centrica plc group.

3 Operating Profit

Any incidental expenses and auditors' remuneration are borne by the parent undertaking.

Centrica Electric Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

4 Directors' emoluments

The directors received no emoluments during the year as they are employed by other Centrica group companies (2004: £Nil).

5 Employee information

The Company had no direct employees in both periods.

6 Other income

	2005 £'000	2004 £'000
Preference share dividends received	239	101

Preference dividends are receivable from Centrica Barry Ltd.

7 Tax on profit on ordinary activities

	2005 £'000	2004 £'000
The tax charge comprises :		
UK corporation tax at 30% (2004: 30%) on the profits for the period		
Current	-	-
Total tax charge on profit on ordinary activities	-	-

The difference between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	239	101
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	70	30
Effects of :		
Income not subject to tax	(70)	(30)
Current tax charge for the year	-	-

Centrica Electric Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

8 Fixed asset investments

	2005 £'000	2004 £'000
Cost or fair value:	-	-
As at 1 January and 31 December 2005	2,466	2,466

The investment represents 100% of the issued irredeemable £0.01 preference share capital of Centrica Barry Limited (CBL). The shares were received for nil consideration and hence have been recognised at fair value, being the present value of future dividends receivable as at date of issue. GB Gas Holdings Ltd, the Company's immediate parent undertaking, owns 100% of the issued ordinary share capital of CBL.

The CBL preference shares confer upon the holders the right in priority to any payment by way of dividend to receive a cumulative preferential dividend.

9 Debtors

	2005 £'000	2004 £'000
Amounts owed by group undertakings	340	101

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

10 Called-up share capital

	2005 £	2004 £
Authorised		
100 ordinary shares of £1 each	100	100
Issued, allotted and fully paid		
2 ordinary shares of £1 each	2	2

Centrica Electric Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

11 Reserves

	Profit and Loss Account £'000	Other Reserve £'000
As at 1 January 2005	101	2,466
Retained profit for the year	239	-
As at 31 December 2005	340	2,466

Other reserves comprise an unrealised gain on shares acquired in Centrica Barry Limited (see note 8).

12 Reconciliation of movements in shareholders' funds

	£'000
Profit for the year	239
Opening shareholders' funds as at 1 January 2005	2,567
Closing shareholders' funds as at 31 December 2005	2,806

13 Ultimate parent undertaking

The immediate parent undertaking is GB Gas Holdings Limited.

The ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales. Copies of Centrica plc consolidated financial statements can be obtained from the Company Secretary at Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.