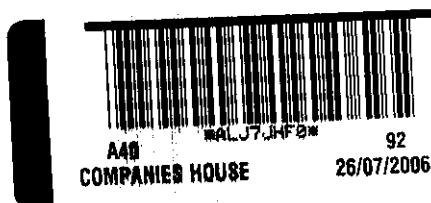


Repair and Care Limited

Report and Financial Statements
For the year ended 31 December 2005

Registered No : 3667800



REPAIR AND CARE LIMITED

INDEX

	Page
Directors' Report	1 – 4
Statement of Directors' Responsibilities	5
Independent Auditors' Report to the Shareholder of Repair and Care Limited	6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 – 12

Repair and Care Limited

Directors' Report

The Directors present their report and the audited Financial Statements of Repair and Care Limited (the "Company") for the year ended 31 December 2005.

Principal activities and review of business

The principal activity of the Company is the supply of engineers to other Centrica plc group companies. These engineers provide servicing, installation and repair services of electrical appliances in the private residential sector throughout Great Britain.

Financial results and dividends

The results of the Company are set out on page 7.

During the year the Company made a profit for the financial year of £94,000 (2004: £49,000).

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

Risk management

The Directors do not consider that the Company has any significant financial risks. The Company has a single customer, British Gas Services Limited and all payments to employees and suppliers are made from other Centrica Group bank accounts.

Financial Support

Centrica plc, the parent undertaking, will provide financial support to the Company to ensure that it is able to meet its liabilities as they fall due for the foreseeable future, enabling it to carry on its business without a significant curtailment of operations.

Directors

The following served as Directors during the year:

D P Kendle
M L Turner

On 3 January 2006 C J Stern was appointed as a Director of the Company. On the same date M L Turner resigned as a Director of the Company.

At no time during the year ended 31 December 2005, did any Director have any interest in the shares of the Company or any other company within the Centrica group, except for the interests in, and options over, the shares and interests of the ultimate parent company, Centrica plc.

Directors' interests in shares

(As defined by section 325 of the Companies Act 1985)

The Directors with interests in and options over the ordinary shares of Centrica plc at the year end are as follows:

Repair and Care Limited

Directors' Report (continued)

Beneficial interests in ordinary shares

	As at 31 December 2004	As at 31 December 2005
D P Kendle	59,616	50,715
M L Turner	-	16,607

The above figures include shares appropriated under the terms of the Centrica Share Incentive Plan.

Directors' interests in shares (continued)

Centrica Sharesave Scheme

	As at 31 December 2004	Options granted during the year	Options exercised during the year	Options lapsed during the year	As at 31 December 2005
D P Kendle	10,428	2,820	-	-	13,248
M L Turner	15,336	-	-	-	15,336

Options over shares in Centrica plc were granted on 6 April 2005 at an option price of 187.5 pence per share.

Long-term Incentive Scheme

	As at 31 December 2004	Allocations made during the year	Allocations vested during the year	Allocations lapsed during the year	As at 31 December 2005
D P Kendle	160,705	37,174	68,166	7,256	122,457
M L Turner	134,739	49,551	28,148	8,551	147,591

Total allocations as at 31 December 2005 shown above include allocations of shares that are subject to challenging performance conditions. At the end of the performance period the Total Shareholder Return of Centrica plc will be assessed against that of the relevant LTIS comparator group. If, and to the extent that, the performance conditions are met, the relevant number of shares will be released to the Directors at the Trustee's discretion as soon as practicable thereafter.

A conditional allocation of shares was made on 1 April 2005 at a price of 228 pence per share.

Centrica Executive Share Option Scheme

	As at 31 December 2004	Options granted during the year	Options exercised during the year	Options lapsed during the year	As at 31 December 2005
D P Kendle	279,324	74,349	-	-	353,673
M L Turner	266,324	99,103	-	-	365,427

Under the terms of the Executive Share Option Scheme a grant of options over shares was made on 1 April 2005 at an option price of 228.65 pence per share.

Details of the ultimate parent company's Sharesave Scheme, Executive Share Option Scheme and LTIS can be found in the 2005 accounts of Centrica plc, copies of which can be obtained from www.centrica.com.

Repair and Care Limited

Directors' Report (continued)

Directors' interests in shares (continued)

The middle market price of a Centrica plc ordinary share on the last day of trading of 2005 (30 December) was 254.75 pence. The range during the year was 264.75 pence (high) and 217.50 pence (low).

As at 31 December 2005, nil shares and 2,591 shares (1 January 2005: 6,370,264 and 2,548) were held by the respective Trustees of employee share trusts for the purposes of the LTIS and the Share Incentive Plan. As with other employees, the Directors are deemed to have a potential interest in those shares, being beneficiaries under the trust.

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

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 disclosable related party transactions during the year (2004: £nil).

Creditor payment policy

The Company aims to pay all its creditors (of which none were trade creditors) within the agreed contract terms.

Political and charitable donations

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

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.

Employment policies

During 2005, the Company employed an average of 57 people, all employed in the United Kingdom (2004: 64).

The Company is committed to pursuing equality and diversity in all its employment activities and continues to support initiatives to provide employment for people from minority groups in the community, including people with disabilities, carers and lone parents. To the extent possible, people with disabilities are offered the same employment training, career development and promotion opportunities as other employees. The Centrica Group, to which Repair and Care Limited belongs, is actively working with a number of organisations in the diversity arena including the Employers' Forum on Disability, the Employers' Forum on Age, Race for Opportunity, Carers UK, Opportunity Now, Working Families and Jobcentre Plus.

The Company's business principles and policies set out standards of behaviour expected of its employees in conducting business in an ethical way.

Employees are regularly updated on performance against the Company's strategy. There are regular employee surveys, action planning forums and dialogue with representatives of local employee consultative bodies and recognised trade unions to ensure a comprehensive understanding of employees' views. The Centrica Group, to which Repair and Care Limited belongs, encourages employee share ownership by operating tax authority-approved share schemes open to all eligible employees, including Executive Directors.

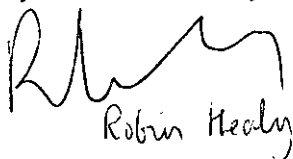
Repair and Care Limited

Directors' Report (continued)

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 12 July 2006

A handwritten signature in black ink, appearing to read 'Robin Healy', is written over the printed name.

for and on behalf of
Centrica Secretaries Limited
Company Secretary
12 July 2006

Registered Office:
Millstream
Maidenhead Road
Windsor
Berkshire SL4 5GD

Repair and Care Limited

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 for that period.

In preparing those 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 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 confirm that they have complied with the above requirements in preparing the Financial Statements.

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.

Repair and Care Limited

Independent Auditors' Report to the Shareholder of Repair and Care Limited

We have audited the financial statements of Repair and Care Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 other information contained in this report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT
12 July 2006

Repair and Care Limited

Profit and Loss Account
Year ended 31 December

	Notes	2005 £'000	2004 £'000
Turnover	2	1,519	1,468
Operating costs	3	<u>(1,446)</u>	<u>(1,398)</u>
Profit on ordinary activities before taxation		73	70
Taxation on profit on ordinary activities	5	<u>21</u>	<u>(21)</u>
Profit for the financial year	8	<u>94</u>	<u>49</u>

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

There have been no recognised gains or losses during the year other than those shown in the profit and loss account.

All activities relate to continuing operations.

The notes on pages 9 to 12 form part of these Financial Statements.

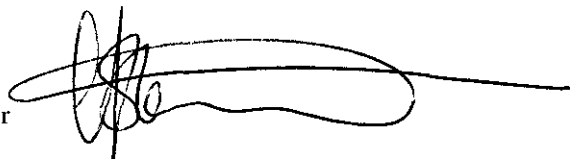
Repair and Care Limited

**Balance Sheet
31 December**

	Notes	2005 £'000	2004 £'000
Creditors (amounts falling due within one year)			
Other Creditors	6	<u>(2,276)</u>	<u>(2,370)</u>
Net current liabilities		<u>(2,276)</u>	<u>(2,370)</u>
Net Liabilities		<u>(2,276)</u>	<u>(2,370)</u>
Capital and reserves – equity interests			
Called up share capital	7	-	-
Profit and loss account	8	<u>(2,276)</u>	<u>(2,370)</u>
Total equity shareholder deficit	9	<u>(2,276)</u>	<u>(2,370)</u>

The Financial Statements on pages 7 to 12 were approved and authorised for issue by the Board of Directors on 12 July 2006 and were signed on its behalf by:

Director



The notes on pages 9 to 12 form part of these Financial Statements.

1. Principal accounting policies

Accounting principles

The Financial Statements have been prepared under the historical cost convention in accordance with United Kingdom Accounting Standards and the Companies Act 1985.

The following accounting policies have been applied consistently in relation to the Company's Financial Statements.

Basis of preparation

The Company is a wholly owned subsidiary undertaking of GB Gas Holdings Limited which is a wholly owned subsidiary undertaking of Centrica plc. The Company has taken advantage of the exemptions within FRS 1, Cash Flow Statements, from presenting a cash flow statement; and within FRS 8, Related Party Disclosures, from disclosing transactions with other group companies that are 90% owned or greater.

Turnover

Turnover comprises income received from other group companies for the supply of skilled and semi-skilled engineers. All turnover arose in the United Kingdom.

Pensions

Employees of the Company are eligible to join the Centrica "Flexible Choice" Pension Scheme, a defined contribution scheme. Defined contribution scheme pension costs are charged to the profit and loss account and represent the amount of contributions payable to the scheme in respect of the accounting period.

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.

2. Turnover

	2005	2004
	£'000	£'000
Recharges to group undertakings	<u>1,519</u>	<u>1,468</u>

3. Operating costs

The Company's operating costs, which have been charged to the profit and loss account, comprise:

	2005	2004
	£'000	£'000
Employee costs (note 4b)	1,446	1,398

Auditors' remuneration of £5,000 was borne by British Gas Services Limited, another group company and was not recharged (2004: £5,000).

4. Directors and employees**a) Directors' remuneration and interests**

None of the Directors received emoluments in respect of their services to the Company during the year (2003: £nil).

b) Employee costs

	2005	2004
	£'000	£'000
Wages and salaries	1,290	1,253
Social security costs	130	125
Other pension and retirement benefits costs	26	20
	1,446	1,398

c) Average number of employees during the year

	2005	2004
	Number	Number
Field Engineers	57	64

d) Pensions

As at 31 December 2005 substantially all of the Company's employees were eligible to join the Centrica Flexible Choice pension scheme. This scheme is a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounts to £26,000 (2004: £20,000). No further contributions to the fund were payable at the period end.

The Centrica Flexible Choice scheme commenced in July 1999 and replaced a previous defined contribution scheme.

5. Taxation on Profit/(Loss) on ordinary activities**(a) Analysis of tax charge in period**

	2005 £'000	2004 £'000
The tax (credit) / charge comprises:		
Current tax:		
UK corporation tax on profits of the period	0	21
Adjustments in respect of prior years *	(21)	-
Total current tax	(21)	21
Deferred tax:		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior years	-	-
Total tax on profit on ordinary activities	(21)	21

* The adjustment in respect of prior years relates to the effect of group relief.

(b) Factors affecting the tax charge for the period

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

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	73	70
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2004: 30%)	22	21
Effects of:		
Group relief	12	-
UK-UK Transfer pricing adjustment	(34)	-
Adjustment to tax charge in respect of previous periods	(21)	-
Current tax charge for the year	(21)	21

Note: There is no deferred tax (either recognised or unrecognised) in either the current or prior year.

6. Creditors (amounts falling due within one year)

	2005 £'000	2004 £'000
Amounts owed to group undertakings	2,276	2,349
Taxation	-	21
	2,276	2,370

7. Called up share capital

	2005 £	2004 £
Authorised		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Issued, allotted and fully paid		
2 ordinary shares of £1 each	<u>£2</u>	<u>£2</u>

8. Reserves

	2005 £'000	2004 £'000
1 January	(2,370)	(2,419)
Profit for the financial year	<u>94</u>	<u>49</u>
31 December	<u>(2,276)</u>	<u>(2,370)</u>

9. Movements in equity shareholder deficit

	2005 £'000	2004 £'000
1 January	(2,370)	(2,419)
Profit for the financial year	<u>94</u>	<u>49</u>
31 December	<u>(2,276)</u>	<u>(2,370)</u>

10. Ultimate parent company

GB Gas Holdings Limited is the immediate parent company. Centrica plc is the ultimate parent undertaking and the only group to consolidate the financial statements of the Company. Copies of the Annual Report of Centrica plc are available at www.centrica.com.