

Repair and Care Limited

**Annual report and Financial Statements
For the year ended 31 December 2008**

Registered No : 3667800

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Repair and Care Limited

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Repair and Care Limited

Directors' report for year ended 31 December 2008

The Directors present their report and the audited financial statements of Repair and Care Limited (the "Company") for the year ended 31 December 2008.

Principal activities

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.

Review of business

The Company continued to provide engineers to other Centrica plc group companies throughout 2008.

Results and dividends

The profit on ordinary activities after taxation for the year ended 31 December 2008 is £64,000 (2007: £66,000). The Directors do not recommend the payment of a final dividend (2007: nil).

Financial Position

The financial position of the Company is presented in the Balance Sheet on page 6. There was a shareholder deficit as at 31 December 2008 of £(2,078,000) (2007: £(2,142,000)).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Centrica plc group ("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 31-34 of the 2008 Annual Report and Accounts of the Group which does not form part of this report.

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.

Key Performance Indicators (KPI's)

The Directors of the Group use a number of key performance indicators to monitor progress against the Group's strategy. The development, performance and position of the Group, which includes the Company, are discussed on pages 12-13 of the 2008 Annual Report and Accounts of the Group which does not form part of this report.

Directors

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

C J Stern
S Boose

Repair and Care Limited

Directors' report for year ended 31 December 2008 (continued)

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, except for any related party disclosures disclosed in the Centrica plc Annual Report and Accounts 2008, there have been no other disclosable related party transactions during the year (2007: £nil).

Creditor payment policy

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

Employment policies

During 2008, the Company employed an average of people 41, all employed in the United Kingdom (2007: 47). The disclosures surrounding the 'Employee Costs' and the 'Average number of employees during the year' (see note 4c) relate to Centrica Group employees that work in the Repair and Care Limited business. Not all of these employees have service contracts with Repair and Care Limited, because in some cases the contracts of service are with other Centrica Group companies. The Directors believe that the disclosures given are the fairest representation of the staff costs for the business.

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 employee 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.

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 a disability, carers and lone parents. To the extent possible, people with a disability are offered the same employment training, career development and promotion opportunities as other employees.

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

Political and charitable donations

The Company made no political or charitable donations during the year (2007: 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. The insurance doesn't provide cover in the event that the Director is proved to have acted fraudulently.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 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, in which case there should be supporting assumptions or qualifications as necessary.

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

Directors' report for year ended 31 December 2008 (continued)

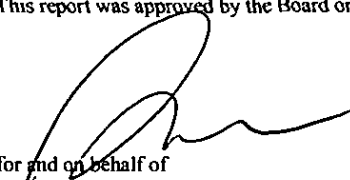
Disclosure of information to auditors

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 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.

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 15 May 2009.



for and on behalf of
Ceptica Secretaries Limited
Company Secretary

Registered Office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Repair and Care Limited

Independent auditors' report to the members of Repair and Care Limited

We have audited the financial statements of Repair and Care Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies 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 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 whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cornwall Court
19 Cornwall Street
Birmingham, B3 2DT

15 May 2009

Repair and Care Limited

Profit and loss account

Year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Turnover	2	1,348	1,382
Operating costs	3	(1,284)	(1,316)
Profit on ordinary activities before taxation		64	66
Taxation on profit on ordinary activities	5	-	-
Profit for the financial year	8	64	66

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.

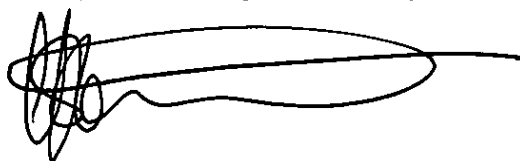
All activities relate to continuing operations

The notes on pages 7 to 10 form part of these financial statements.

Repair and Care Limited**Balance sheet****Year ended 31 December 2008**

	Notes	2008 £'000	2007 £'000
Creditors (amounts falling due within one year)			
Amounts owed to group undertakings	6	(2,078)	(2,142)
Net current liabilities		<u>(2,078)</u>	<u>(2,142)</u>
Net Liabilities		<u>(2,078)</u>	<u>(2,142)</u>
Capital and reserves – equity interests			
Called up share capital	7	-	-
Profit and loss account (adverse balance)	8	(2,078)	(2,142)
Total shareholder deficit	9	<u>(2,078)</u>	<u>(2,142)</u>

The financial statements on pages 5 to 10 were approved and authorised for issue by the Board of Directors on 15 May 2009 and were signed on its behalf by:



C J Stern
Director

The notes on pages 7 to 10 form part of these financial statements.

Repair and Care Limited

Notes to the financial statements

1. Principal accounting policies

Accounting principles

The financial statements have been prepared on the going concern basis under the historical cost convention in accordance with United Kingdom Accounting Standards and the Companies Act 1985.

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 (i.e. at least twelve months from the date of approval of these financial statements), enabling it to carry on its business without a significant curtailment of operations.

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

	2008	2007
	£'000	£'000
Recharges to group undertakings	1,348	1,382

3. Operating costs

The Company's operating costs, which have been charged to the Profit and Loss Account, comprise:

	2008	2007
	£'000	£'000
Employee costs (note 4b)	1,284	1,316

Auditors' remuneration of £4,750 in relation to the statutory audit, was borne by British Gas Services Limited, another group company and was not recharged (2007: £4,500 restated).

Auditors' remuneration relates to fees for the audit of the UK GAAP statutory accounts of Repair and Care Limited 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 Repair and Care Limited. Prior year audit fees have been restated to reflect the inclusion of an element of the Centrica Group fee.

Repair and Care Limited

Notes to the financial statements (continued)

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 (2007: £nil).

b) Employee costs

	2008	2007
	£'000	£'000
Wages and salaries	1,100	1,141
Social security costs	112	115
Other pension and retirement benefits costs	72	60
	<u>1,284</u>	<u>1,316</u>

c) Average number of employees during the year

	2008	2007
Engineers	<u>41</u>	<u>47</u>

d) Pensions

As at 31 December 2008 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 £72,000 (2007: £60,000). 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 on ordinary activities

(a) Analysis of tax charge in period

	2008	2007
	£'000	£'000
The tax (credit) / charge comprises:		
Current tax:		
UK corporation tax on profits of the period	-	-
Total current tax	<u>-</u>	<u>-</u>
Total tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Repair and Care Limited

Notes to the financial statements (continued)

5. Taxation on profit on ordinary activities (continued)

(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:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	64	66
Tax on profit on ordinary activities at standard UK corporation tax rate of 28.5% (2007: 30%)	18	20
Effects of:		
Group relief	(17)	(18)
UK-UK Transfer pricing adjustment	(1)	(2)
Current tax charge for the year	<u>-</u>	<u>-</u>

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

The proposed reduction in the rate of UK Corporation tax from 30% to 28% as per the 2007 budget was substantively enacted on 26 June 2007. As a result deferred tax reversing after 1 April 2008 will be recognised at the rate of 28%.

6. Creditors (amounts falling due within one year)

	2008 £'000	2007 £'000
Amounts owed to group undertakings	2,078	2,142
	<u>2,078</u>	<u>2,142</u>

The amounts owed to group undertakings are unsecured, non-interest bearing and payable on demand.

7. Called up share capital

	2008 £	2007 £
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Issued, allotted and fully paid 2 ordinary shares of £1 each	2	2

8. Profit and loss account (adverse balance)

	2008 £'000	2007 £'000
1 January	(2,142)	(2,208)
Profit for the financial year	64	66
31 December	<u>(2,078)</u>	<u>(2,142)</u>

Repair and Care Limited

Notes to the financial statements (continued)

9. Reconciliation of movements in shareholders' funds

	2008	2007
	£'000	£'000
1 January	(2,142)	(2,208)
Profit for the financial year	64	66
31 December	<u>(2,078)</u>	<u>(2,142)</u>

10. Ultimate parent undertaking

GB Gas Holdings Limited, a company registered in England and Wales, is the immediate parent undertaking. Centrica plc, a company registered in England and Wales, is the ultimate parent undertaking and the only company to consolidate the financial statements of Repair and Care Limited. Copies of the Annual Report of Centrica plc may be obtained from www.centrica.com.

11. Financial support

Centrica plc, the ultimate 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.