

**Registered No : 3667800**

**Repair and Care Limited  
Annual Report and Financial Statements  
For the year ended 31 December 2010**

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**Repair and Care Limited**

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## **Repair and Care Limited**

### **Directors' report for year ended 31 December 2010**

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The Directors present their report and the audited financial statements of Repair and Care Limited (the "Company") for the year ended 31 December 2010

#### **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 2010.

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital. A Special Resolution was passed by the Company's sole member on 14 January 2010 to delete all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association.

#### **Results and dividends**

The profit on ordinary activities after taxation for the year ended 31 December 2010 is £51,000 (2009 £54,000). The Directors do not recommend the payment of a final dividend (2009 £nil).

#### **Financial Position**

The financial position of the Company is presented in the Balance Sheet on page 7. There was a shareholder deficit as at 31 December 2010 of £1,973,000 (2009 £2,024,000).

#### **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 30-36 of the 2010 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 8-9 of the 2010 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:

T J B Siddall (appointed 22 July 2010, resigned 30 September 2010)

M J Bateman (appointed 30 September 2010)

M R Uzielli (appointed 14 January 2011)

C J Stern (resigned 14 January 2011)

S Boose (resigned 22 July 2010)

## **Repair and Care Limited**

### **Directors' report for year ended 31 December 2010 (continued)**

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#### **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 2010, there have been no other disclosable related party transactions during the year (2009 £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 2010, the Company employed an average of 31 people, all employed in the United Kingdom (2009 35). 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 Company's business. 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 Group'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 the Company 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 (2009 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.

## **Repair and Care Limited**

### **Directors' report for year ended 31 December 2010 (continued)**

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#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing 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 elected to prepare 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 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 28 June 2011



for and on behalf of  
Centrica Secretaries Limited  
**Company Secretary**  
Company registered in England and Wales number 3667800

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 2010 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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). 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.

#### **Scope of the audit of the financial statements**

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.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 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.

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

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

## **Repair and Care Limited**

### **Independent auditors' report to the members of Repair and Care Limited (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Andrew Duxbury (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

28 June 2011

## Repair and Care Limited

### Profit and loss account

Year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Turnover	2	1,068	1,139
Operating costs	3	(1,017)	(1,085)
<b>Profit on ordinary activities before taxation</b>		<b>51</b>	<b>54</b>
Taxation on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>	8	<b>51</b>	<b>54</b>

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 8 to 11 form part of these financial statements



## Repair and Care Limited

### Balance sheet

Year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
<b>Creditors (amounts falling due within one year)</b>			
Amounts owed to group undertakings	6	(1,973)	(2,024)
<b>Net current liabilities</b>		<u>(1,973)</u>	<u>(2,024)</u>
<b>Net Liabilities</b>		<u>(1,973)</u>	<u>(2,024)</u>
<b>Capital and reserves – equity interests</b>			
Called up share capital	7	-	-
Profit and loss account (adverse balance)	8	(1,973)	(2,024)
<b>Total shareholders' deficit</b>	9	<u>(1,973)</u>	<u>(2,024)</u>

The financial statements on pages 6 to 11 were approved and authorised for issue by the Board of Directors on 28 June 2011 and were signed on its behalf by



M R Uzielli  
Director

Registered company number 3667800

The notes on pages 8 to 11 form part of these financial statements

## **Repair and Care Limited**

### **Notes to the financial statements**

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#### **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 2006

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 wholly-owned companies

##### **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 and other retirement benefits**

The Company's employees participate in a number of the Group's defined benefit pension schemes. The Company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and therefore accounts for the schemes as if they were defined contribution schemes. The charge to the profit and loss account is equal to the contributions payable to the schemes in the accounting period, which are based on pension costs across the Group as a whole

##### **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

A number of changes to the UK corporation tax system were announced in the March 2011 Budget Statement. The main rate of corporation tax reduced from 28% to 26% from 1 April 2011 and was substantively enacted on 29 March 2011. An initial reduction of 1% to 27% effective from 1 April 2011 was enacted by Finance (No 2) Act 2010 and is therefore taken into account in these financial statements. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014, and the reduction to 25% from 1 April 2012 is expected to be enacted by Finance Act 2011. Beyond the reduction to 27%, the changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The impact of these changes on the financial statements is nil

#### **2. Turnover**

	2010	2009
	£'000	£'000
Recharges to group undertakings	<u>1,068</u>	<u>1,139</u>

## Repair and Care Limited

### Notes to the financial statements (continued)

#### 3. Operating costs

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

	2010	2009
	£'000	£'000
Employee costs (note 4b)	1,017	1,085

Auditors' remuneration of £4,300 in relation to the statutory audit, was borne by British Gas Services Limited, another group company and was not recharged (2009 £4,750)

Auditors' remuneration relates to fees for the audit of the UK GAAP statutory accounts of the Company 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 the Company

#### 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 (2009 £nil)

##### b) Employee costs

	2010	2009
	£'000	£'000
Wages and salaries	882	931
Social security costs	89	94
Other pension and retirement benefits costs	46	60
	1,017	1,085

##### c) Average number of employees during the year

	2010	2009
Field Engineers	31	35

##### d) Pensions

As at 31 December 2010 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 £46,000 (2009 £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.

# Repair and Care Limited

## Notes to the financial statements (continued)

### 5. Taxation on profit on ordinary activities

#### (a) Analysis of tax charge in period

	2010 £'000	2009 £'000
The tax (credit) / charge comprises		
<b>Current tax:</b>		
UK corporation tax on profits of the period	-	-
Total current tax	-	-
Total tax on profit on ordinary activities	-	-

### 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

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	51	54
Tax on profit on ordinary activities at standard		
UK corporation tax rate of 28% (2009 28%)	14	15
Effects of		
Group relief	(13)	(14)
UK-UK Transfer pricing adjustment	(1)	(1)
<b>Current tax charge for the year</b>	-	-

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

### 6. Creditors (amounts falling due within one year)

	2010 £'000	2009 £'000
Amounts owed to group undertakings	1,973	2,024
	1,973	2,024

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

## Repair and Care Limited

### Notes to the financial statements (continued)

#### 7. Called up share capital

	2010 £	2009 £
<b>Authorised</b>		
Nil ordinary shares of £1 each (2009 1,000 ordinary shares of £1 each)	-	1,000
<b>Allotted and fully paid share capital</b>		
2 ordinary shares of £1 each	2	2

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital. A Special Resolution was passed by the Company's sole member on 14 January 2010 to delete all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association.

#### 8. Profit and loss account

	2010 £'000	2009 £'000
1 January	(2,024)	(2,078)
Profit for the financial year	51	54
31 December	(1,973)	(2,024)

#### 9. Reconciliation of movements in shareholders' deficit

	2010 £'000	2009 £'000
1 January	(2,024)	(2,078)
Profit for the financial year	51	54
31 December	(1,973)	(2,024)

#### 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](http://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.