Centrica Offshore UK Lımıted

Annual Report for the year ended 31 December 2011

Registered number · 4248952

Centrica Offshore UK Limited
Company Information

Directors
G S Collinson
S M Wills
N Cohrs

Secretary
Centrica Secretaries Limited

Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Registered office
Venture House
42-54 London Road
Staines
Middlesex
TW18 4HF

Registered number
4248952

Centrica Offshore UK Limited
Registered number: 4248952
Directors' Report for the year ended 31 December 2011

The Directors present their report and the audited financial statements of Centrica Offshore UK Limited (the 'Company') for the year ended 31 December 2011

Principal Activities
The principal activity of the Company is the production of gas in the United Kingdom The Company holds the production licence for the Rough field For the purposes of the Companies Act 2006, this constitutes one class of business

Business Review
The Rough facility is currently used as a storage facility by the immediate parent company, Centrica Storage Limited The Company has the right to extract the remaining gas once storage has finished, which is expected to be around 2029 The Company sells the condensate produced as a consequence of operating as a storage facility Sales are recognised in the Profit and Loss Account during the year

During the year the Company transferred York production licence to Centrica Resources Limited following the transfer of beneficial interest in 2010

Principal Risks and Uncertainties
The management of the business and the execution of the Company's strategy are subject to a number of risks Further discussion of these risks and uncertainties in the context of Centrica plc (the "Group") as a whole is provided on pages 36 to 40 of the Centrica plc Annual Report and Accounts 2011 The key business risks and uncertainties affecting the Company have been highlighted below

Financial Risk Management
The Directors have established objectives and policies for managing financial risks, to enable Centrica Offshore UK Limited to achieve long-term shareholder value growth within a prudent risk management framework These objectives and policies of the Company are regularly reviewed as part of Centrica Storage Limited

The Centrica Storage Holdings group of companies has a Financial Risk Management Committee (FRMC) which meets on a regular basis

Liquidity Risk
Cash forecasts identifying the liquidity requirements of the Centrica Storage Holdings group of companies are produced frequently and monitored by the directors However, due to the timing of cash payments and cash receipts liquidity is not a major risk for the Company

Commodity price risk
The key commodity price risk facing the Company is movement in gas prices The Financial Risk Management Committee regularly monitors the extent of the Company's commodity price exposure

Key Performance Indicators (KPIs)
The Directors of Centrica plc (the 'Group'), the Company's ultimate parent undertaking, use a number of key performance indicators to monitor progress against the Group's strategy The directors are of the opinion that analysis of the business of the Company using KPIs is not appropriate for an understanding of the performance of the business The development, performance and position of the business which includes the Company, are discussed on pages 12-13 of the 2011 Annual Report and Accounts of the Group which does not form part of this report

Future Developments
The directors anticipate that the Company will make losses on an annual basis due to the impact of the finance charge in relation to the unwinding of the decommissioning liability The ultimate parent company, Centrica plc, has indicated that it will support the Company to meet its liabilities and obligations as they fall due The directors consider that all assets are fully recoverable taking into account the estimated present value of the cushions gas

Results and Dividends
The results of the Company are set out on page 6

The net profit for the year ended 31 December 2011 is £17 2 million (2010 loss £3 1 million) has been transferred to reserves

In 2011 no dividend was paid on ordinary shares (2010 nil) and the Directors do not recommend the payment of a final dividend

Financial Position
The financial position of the Company is presented in the balance sheet on page 7 Shareholder funds at 31 December 2011 were £41 7 million (2010 £24 5 million)

Events Since the Balance Sheet Date
There are no reportable events after the balance sheet date

Directors
The following persons served as directors during the year and up to the date of signing these financial statements

G S Collinson
S M Wills
N Cohrs

At no time during the year ended 31 December 2011 did any Director have any interests in the shares of the Company (2010 nil) or any other company within the Group, except for interests in and options over the shares and interests of the ultimate parent company, Centrica plc

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

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 does not provide cover in the event that the Director is proved to have acted fraudulently

Charitable and Political Donations
The Company made no political or charitable donations during the year (2010 nil)

Gas Reserves (unaudited)
The Company has estimated proven and probable gas reserves in the UK Estimates are made by management based on the results of reserve studies performed by independent third party consultants The principal field is the Rough field, with estimated net proven and probable reserves of 181 billion cubic feet (bcf) at 31 December 2011 (2010 181 bcf) There were no sales of cushion gas during the year (2010 1 5 million therms)

Directors' responsibility statement
The directors are responsible for preparing 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 prepared 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 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,
- 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 person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Independent 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 20 June 2012 and signed by its order

Nick Lumley
For and on behalf of Centrica Secretaries Limited
Company Secretary

Company number 4248952, England and Wales
Registered Office
Venture House
42-54 London Road
Staines, Middlesex
TW18 4HF

Centrica Offshore UK Limited
Independent auditors' report to the member of Centrica Offshore UK Limited

We have audited the financial statements of Centrica Offshore UK Limited for the year ended 31 December 2011 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' responsibility statement set out on page 4, 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 In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

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

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

Bruce Collins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
June 2012

Centrica Offshore UK Limited
Profit and Loss Account
for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Turnover	2	516	1,143
Administrative expenses		(152)	(216)
Operating profit	3	364	927
Exceptional items profit on the sale of tangible fixed assets	4	10,344	-
		10,708	927
Interest receivable and similar income	7	2,359	99
Interest payable and similar charges	8	-	(2,721)
Profit/(loss) on ordinary activities before taxation		13,067	(1,695)
Tax on profit/(loss) on ordinary activities	9	4,122	(1,426)
Profit/(loss) for the financial year		17,189	(3,121)

All amounts included in the Profit and Loss Account are derived from continuing operations

The company has no recognised gains or losses other than the profit/(loss) for the above two financial years Therefore, no separate statement of recognised gains and losses has been presented

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the years stated above and their historic cost equivalent

The notes on pages 8 to 15 form part of these financial statements

Centrica Offshore UK Limited
Balance Sheet
as at 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Tangıble assets	10	71,377	74,095
Current assets			
Debtors	11	55,122	55,715
Deferred tax asset	13	36,646	32,378
		91,768	88,093
Creditors: amounts fallıng due within one year	12	(160)	(10,815)
Net current assets		91,608	77,278
Total assets less current liabilities		162,985	151,373
Provisions for liabilities			
Other provısıons	14	(121,322)	(126,899)
Net assets		41,663	24,474
Capital and reserves			
Called up share capıtal	15	4,500	4,500
Profit and loss account	16	37,163	19,974
Total shareholder's funds	17	41,663	24,474

These financıal statements on pages 6 to 15 were approved and authorısed for ıssue by the board of dırectors on 20 June 2012 and were sıgned on ıts behalf by

S M Wılls
Dırector
Approved by the board on 20 June 2012
The Company's Regıstered number ıs 4248952

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2011

1 Principal accounting policies

Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards These policies have been applied consistently to all the years presented, unless otherwise stated

Exemptions

The company is a wholly-owned subsidiary of Centrica plc 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 FRS 1 (revised 1996) The company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of the Centrica plc group or investees of the Centrica plc group

Tangible Assets

Tangible assets which includes rights to production of cushion gas are stated at historical cost less accumulated depreciation and any provisions for impairment

The Company has the rights to produce the cushion gas at the Rough facility, however the cushion will not be produced until such time that the asset is decommissioned as a gas storage facility

The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset

Subsequent expenditure in respect of items of tangible assets such as the replacement of major parts, major inspections or overhauls, are capitalised as part of the cost of the related asset where it is probable that future economic benefits will arise as a result of the expenditure and the cost can be reliably measured All other subsequent expenditure, including the costs of day-to-day servicing, repairs and maintenance, is expensed as incurred

Depreciation

Depreciation is calculated so as to write-off the cost of tangible assets, less their estimated residual values, on a unit of production basis for cushion gas and abandonment asset

As a result of Centrica Storage Limited's operation of the Rough storage facility some condensate may be produced, title over which is held by Centrica Offshore UK Limited No depreciation is recognised in relation to this production as condensate is considered a low value by-product The Company policy is to recognise depreciation only on production of cushion gas on a unit of production basis

Impairment losses or impairment write backs of tangible assets are calculated as the difference between the carrying values of income generating units and the estimated recoverable amount at the date the impairment or write back is recognised The recoverable amount is the higher of value in use and net realisable value Value in use represents the net present value of future net cash flows discounted on a pre-tax basis Impairment losses and the write back of fixed assets are recognised in the Profit and Loss Account in the year in which they occur

Decommissioning Costs

Operators of oil and gas fields on the United Kingdom Continental Shelf are required to remove installations at the end of their useful lives to the extent considered acceptable to the Department of Energy and Climate Change

1 **Principal accounting policies** (continued)

Provision is made for the net present value of the estimated cost of decommissioning the field at the end of its useful life When this provision gives access to future economic benefits an asset is recognised, otherwise the provision is charged to the Profit and Loss Account Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within property, plant and equipment

Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within property, plant and equipment

The Company capitalises the inflationary unwind of the discount on the decommissioning provision to the decommissioning asset The interest element of the unwinding of the discount to the net present value is reported in the Profit and Loss Account as a financial item and is added to the net interest charge This practice is consistent with the Statement of Recommended Practice ('SORP') for Oil and Gas accounting

Petroleum Revenue Taxes
Petroleum Revenue Taxes ("PRT") are provided for on a unit of production basis when life of field PRT can be reliably estimated Changes in estimates are dealt with prospectively over the remaining life of the gas field

Turnover
Turnover is stated as amounts invoiced to customers for the sale of condensate and cushion gas and excludes value added tax Turnover is recognised on production of cushion gas or condensate Amounts paid in advance greater than amounts recognised as revenue are treated as deferred income, with any paid in arrears recognised as accrued income

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 substantively 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 as 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 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 not recognised when fixed assets are re-valued unless by the balance sheet date there is a binding agreement to sell the re-valued assets and the gain or loss expected to arise on sale has been recognised in the Financial Statements Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

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

1 **Principal accounting policies** (continued)

Financial Instruments: Disclosure and Presentation

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities A debt instrument is a contractual obligation to deliver cash or another financial obligation

Where the contractual obligations of financial instruments (including share capital) are equivalent to a debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the Balance Sheet Finance costs and gains or losses relating to financial liabilities are included in the Profit and Loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited directly to equity

All financial assets and liabilities are presented gross on the face of the Balance Sheet unless the Company has a legally enforceable right to net off the recognised amounts and it intends to settle on a net basis

All interest bearing debt and loans are initially stated at the fair value of proceeds received or given After initial recognition, the carrying amounts of interest bearing loan receivables and payables are increased by the finance income and finance costs respectively The carrying amounts are reduced by the payment or repayment of amounts owing under loan receivables and payables respectively Where the recoverable amount is estimated to be less than the carrying value, impairment will be charged through operating costs in the profit and loss account

The Company is exempted by FRS 29 from providing detailed disclosures in respect of its financial instruments because the Company is included within the Group's consolidated financial statements and its financial instruments are incorporated into disclosures in note 4 (page 74 to 78) of the Centrica plc Annual Report and Accounts 2011

2 Analysis of Turnover

	2011 £000	2010 £000
By activity		
Sale of condensates	516	448
Sale of cushion gas	-	695
	516	1,143
By geographical market		
UK	516	1,143

3 Operating Profit

	2011 £000	2010 £000
This is stated after charging		
Auditors' remuneration for audit services	15	12

Auditors' remuneration of £14,600 (2010 £11,992) relates to fees for the audit of the UK GAAP statutory accounts of Centrica Offshore UK 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 Centrica Offshore UK Limited

Administrative expenses include direct costs of operating the storage facility owned during the year

4 Exceptional Items

	2011 £000	2010 £000
Profit on sale of York production licence	10,344	-

5 Directors' Emoluments

	2011 £000	2010 £000
Emoluments	48	38
Company contributions to pension schemes	4	3
	52	41

There were 2 directors (2010 2) who received shares in the ultimate parent company in respect of their qualifying services under a long-term incentive scheme

There were 1 directors (2010 1) who exercised share options relating to the ultimate parent company

Number of directors in company pension schemes:	2011 Number	2010 Number
Money purchase schemes	1	1
Defined benefit schemes	2	3

6 Employee Costs

The Company has no employees (2010 nil) and no staff costs (2010 nil) All costs relating to employees are borne by another Group company

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2011

7 Interest Receivable

	2011	2010
	£000	£000
Unwinding of discount on decommissioning provision	2,359	-
Interest receivable from Group undertakings	0	99
	2,359	99

8 Interest Payable

	2011	2010
	£000	£000
Unwinding of discount on decommissioning provision	-	2,721

9 Tax on profit/(loss) on ordinary activities

	2011	2010
	£000	£000
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period at 26 5% (2010 28%)	69	3,174
Supplemental upstream tax at 35 5% (2010 22)	91	2,297
Adjustments in respect of previous periods	(15)	-
	145	5,471
Deferred tax		
Origination and reversal of timing differences	760	(775)
Effect of change to the deferred tax	(5,027)	(3,020)
Adjustments in respect of previous periods	-	(250)
	(4,267)	(4,045)
Tax on (loss)/profit on ordinary activities	(4,122)	1,426

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as

	2011	2010
	£000	£000
Profit/(loss) on ordinary activities before tax	13,067	(1,695)
Standard rate of corporation tax in the UK	26 5%	28%
	£000	£000
Profit on ordinary activities multiplied by the standard rate of corporation tax	3,463	(475)
Effects of		
Other timing differences	(757)	775
Depreciation on non-qualifying assets	-	5
Group relief for nil consideration	(331)	-
Chargeable gains not taxable	(2,609)	-
Additional charges applicable to upstream profits	91	2,297
UK UK transfer pricing adjustment	303	2,869
Adjustments to tax charge in respect of previous periods	(15)	-
Current tax charge for period	145	5,471

No deferred tax arises for the year (2010 nil)

9 **Tax on profit/(loss) on ordinary activities** (continued)

Factors that may affect future tax charges

A number of changes to the UK corporation tax system were announced in the March 2011 and the March 2012 Budget Statements The main rate of corporation tax was reduced from 28% to 26% from 1 April 2011, and the rate of Supplementary Charge applied to upstream activities increased from 20% to 32% from 24 March 2011 These changes were substantively enacted on 29 March 2011 A further reduction of the corporation tax rate to 25% from 1 April 2012 was substantively enacted on 5 July 2011 and is therefore taken into account in these financial statements and a further reduction to 24% from 1 April 2012 was substantively enacted on 26 March 2012 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014 Also proposed from 21 March 2012 is a reduction of 12% to the rate of relief available for decommissioning expenditure against the supplementary charge Beyond the reduction to 25%, 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 proposed further reductions on the deferred tax balances would be a decrease to the deferred tax asset of £9m

10 **Tangible assets**

	Abandonment Asset £000	Cushion Gas £000	Total £000
Cost			
At 1 January 2011	54,097	33,101	87,198
Inflationary adjustment	(2,718)	-	(2,718)
At 31 December 2011	51,379	33,101	84,480
Depreciation			
At 1 January 2011	1,205	11,898	13,103
At 31 December 2011	1,205	11,898	13,103
Net book value			
At 31 December 2011	50,174	21,203	71,377
At 31 December 2010	52,892	21,203	74,095

11 **Debtors**

	2011 £000	2010 £000
Amounts owed by group undertakings	55,122	55,715

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

12 **Creditors: amounts falling due within one year**

	2011 £000	2010 £000
Corporation tax	160	5,471
Accruals and deferred income	-	5,344
	160	10,815

13 Deferred taxation

	2011 £000	2010 £000
Other timing differences		
Provided for	(36,646)	(32,378)
Undiscounted provision for deferred tax	(36,646)	(32,378)

The deferred tax asset is reconciled as follows	2011 £000	2010 £000
At 1 January	(32,378)	(28,333)
Deferred tax charge in profit and loss account	(4,268)	(4,045)
At 31 December	(36,646)	(32,378)

14 Provisions for liabilities

	Decommissioning liabilities £000
At 1 January 2011	126,899
Unwinding of discount (note 7)	(2,359)
Inflationary increase (note 10)	(2,718)
Released on transfer of York licence	(500)
At 31 December 2011	121,322

The estimated cost of decommissioning at the end of the life of the storage and production facilities is based on engineering estimates and, in the case of the Rough facility, reports from independent experts Provision is made for the net present value of the estimated cost of decommissioning at the Balance Sheet date The payment date of total expected future decommissioning costs is uncertain, but is currently anticipated to be 2029 for the Rough facility During the year the Company transferred York decommissioning liability to Centrica Resources Limited with the transfer of legal interest

15 Called up share capital

	Nominal value	2011 Number	2011 £000	2010 £000
Allotted, called up and fully paid				
Ordinary shares	£1 each	4,500,000	4,500	4,500

16 Profit and loss account

	2011 £000	2010 £000
At 1 January 2011	19,974	23,095
Profit/(loss) for the financial year	17,189	(3,121)
At 31 December 2011	37,163	19,974

17 Reconciliation of movement in shareholder's funds

	2011	2010
	£000	£000
At 1 January	24,474	27,595
Profit/(loss) for the financial year	17,189	(3,121)
At 31 December	41,663	24,474

18 Post balance sheet events

There are no reportable post balance sheet events for the Company

19 Ultimate controlling party

Centrica plc, a company registered in England and Wales, is the ultimate parent company and ultimate controlling party Centrica plc has a 100 percent interest in the equity share capital of Centrica Holdings Limited, which in turn owns 100 percent of GB Gas Holdings Limited, which in turn owns 100 percent of Centrica Storage Holdings Limited Centrica Storage Holdings Limited has a 100 percent interest in the equity share capital of Centrica Storage Limited Centrica Storage Limited is the Company's immediate parent undertaking

Centrica plc is the parent company of the largest and smallest group for which consolidated financial statements are drawn up Copies of the ultimate parent company's consolidated financial statements can be obtained from Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD or www centrica com