

**Registered Number: 04262250**

**Centrica PB Limited**

**Annual report and Financial Statements  
For the year ended 31 December 2011**



---

## **Centrica PB Limited**

### **Annual report and Financial Statements for the year ended 31 December 2011**

#### **Contents**

	Page
Directors' report for the year ended 31 December 2011	1
Independent auditors' report to the members of Centrica PB Limited	3
Profit and loss account for the year ended 31 December 2011	4
Balance sheet as at 31 December 2011	5
Notes to the financial statements for the year ended 31 December 2011	6

---

# **Centrica PB Limited**

## **Directors' report for the year ended 31 December 2011**

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

### **Principal activities**

The Company's principal activity during the year was the operation of a 360MW gas fired open cycle gas turbine generating station at Peterborough, Cambridgeshire ("Peterborough Power Station")

### **Business review**

During the year the Company continued the operation of Peterborough Power Station. The Company operates under a capacity tolling agreement with British Gas Trading Limited who are responsible for energy procurement for the Centrica plc group ("the Group") and also operates in the Short Term Operating Reserve (STOR) market.

Trading for the year is in line with Directors' expectations.

Following a review of the value in use of the power station asset, an impairment of £35,000,000 was made (2010: £nil) and stock write-down of £3,462,000 (2010: £nil). Also as part of a wider business re-organisation a charge of £1,049,000 was made in relation to restructuring costs (2010: £nil).

### **Future developments**

There are no plans to change the nature of activities in the foreseeable future. A similar trading profile to 2011 is expected in the coming year.

### **Principal risks and uncertainties and financial risk management**

The principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The principal risks of the Group are set out on pages 36-40 of the 2011 annual report and accounts of the Group which does not form part of this report.

### **Key performance indicators**

The Directors of the Group use a number of key performance indicators to monitor progress against the Group's strategy. The development and performance of the Group, 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.

### **Results and dividends**

The results of the Company are set out on page 4.

The loss on ordinary activities after taxation for the year ended 31 December 2011 is £29,835,000 (2010: profit of £4,917,000). No dividends were paid on the ordinary shares for the year ended 31 December 2011 (2010: £nil). The Directors do not recommend the payment of a final dividend (2010: £nil).

### **Financial position**

The financial position of the Company is presented in the balance sheet on page 5. The shareholders' funds at 31 December 2011 were £29,169,000 (2010: £59,004,000).

### **Directors**

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

Graeme Collinson  
Sarjit Sambhi  
John Watts  
Thomas Hinton

### **Creditor payment policy**

It is the Company's policy to pay all of its creditors in accordance with the policies set out below. Special contractual terms apply for gas and electricity supplies. For all other trade creditors, it is the Company's policy to:

- i) agree the terms of payment in advance with the supplier,
- ii) ensure that suppliers are aware of the terms of payment and,
- iii) pay in accordance with contractual and other legal obligations.

## **Centrica PB Limited**

### **Directors' report for the year ended 31 December 2011 (continued)**

#### **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.

#### **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 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 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 the 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 30 August 2012.



For and on behalf of Centrica Secretaries Limited  
**Company Secretary**

Company registered in England and Wales No 04262250

Registered office  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

## **Centrica PB Limited**

### **Independent auditors' report to the members of Centrica PB Limited**

We have audited the financial statements of Centrica PB 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 statement of Directors' responsibilities 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. In addition, we read all the financial and non-financial information in the annual report and financial statements 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 loss 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

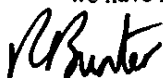
#### **Opinion on other matter prescribed by the Companies Act 2006**

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.

#### **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



Richard Bunter (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Hull  
30 August 2012

## Centrica PB Limited

### Profit and loss account for the year ended 31 December 2011

	Note	2011 £000	2010 £000
<b>Turnover</b>	3	<b>26,848</b>	29,961
Cost of sales		(12,439)	(15,917)
<b>Gross profit</b>		<b>14,409</b>	14,044
Administrative expenses - including exceptional items		(42,532)	(2,950)
<b>Operating profit before exceptional items</b>		<b>11,388</b>	11,094
Exceptional operating item - impairment	4	(35,000)	-
Exceptional operating item - stock write-down	4	(3,462)	-
Exceptional operating item - restructuring	4	(1,049)	-
<b>Operating (loss) / profit</b>	4	<b>(28,123)</b>	11,094
Interest receivable and similar income	7	397	73
Interest payable and similar charges	8	(4,464)	(5,243)
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(32,190)</b>	5,924
Tax on (loss) / profit on ordinary activities	9	2,355	(1,007)
<b>(Loss) / profit for the financial year</b>	18	<b>(29,835)</b>	4,917

The Company has no recognised gains or losses other than the (loss) / profit above and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the (loss) / profit on ordinary activities before taxation and the (loss) / profit for the year stated above and their historical cost equivalents

All results relate to continuing operations

The notes on pages 6 to 17 form part of these financial statements

# Centrica PB Limited

## Balance sheet as at 31 December 2011

	Note	2011 £000	2010 £000
<b>Fixed assets</b>			
Tangible assets	10	17,570	58,091
Investments	11	500	500
		<u>18,070</u>	<u>58,591</u>
<b>Current assets</b>			
Stocks	12	2,287	5,510
Debtors	13	70,606	68,731
Cash at bank and in hand		731	173
		<u>73,624</u>	<u>74,414</u>
Creditors - amounts falling due within one year	14	(17,526)	(13,715)
<b>Net current assets</b>		<u>56,098</u>	<u>60,699</u>
<b>Total assets less current liabilities</b>		<b>74,168</b>	<b>119,290</b>
Creditors - amounts falling due after more than one year	15	(43,139)	(56,734)
Provisions for liabilities	16	(1,860)	(3,552)
		<u>29,169</u>	<u>59,004</u>
<b>Net assets</b>		<u>29,169</u>	<u>59,004</u>
<b>Capital and reserves</b>			
Called up share capital	17	-	-
Profit and loss account	18	29,169	59,004
<b>Total shareholders' funds</b>	19	<u>29,169</u>	<u>59,004</u>

The notes on pages 6 to 17 form part of these financial statements

The financial statements on pages 4 to 17 were approved and authorised for issue by the Board of Directors on 30 August 2012 and were signed on its behalf by

  
**Thomas Hinton**  
 Director

# **Centrica PB Limited**

## **Notes to the financial statements for the year ended 31 December 2011**

### **1. Statement of accounting policies**

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and the applicable United Kingdom accounting standards. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### **Turnover**

Turnover is recognised on an accruals basis and principally relates to the sale of power generation capacity to a fellow Group undertaking during the year in accordance with the capacity tolling arrangement.

The Company is a lessor for certain lease contracts that contain both fixed and variable cash flows. The fixed income generated from operating leases is accounted for on a straight line basis whereas the variable income element is recognised on an accruals basis because this is deemed to be the most relevant method to account due to the nature of the income stream.

#### **Tangible assets**

Tangible assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged on all fixed assets, other than freehold land and gas turbine components in the course of a major overhaul and assets in the course of construction. Depreciation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows for these asset classes:

- Power station assets and decommissioning assets    20 years
- Turbine components, other plant and machinery    3-6 years

For gas turbine components depreciation is provided to write off the cost of the assets over their operating lives on an equivalent operating hours basis.

#### **Overhaul costs**

Contract work involved in replacing gas turbine components is capitalised and depreciated over their expected economic life, typically over the period to the next overhaul. Repairs and other costs that are not of a capital nature are charged directly to the profit and loss account as incurred.

#### **Stocks**

Stocks are stated at the lower of cost incurred in bringing each item to its present location and condition and net realisable value. Provision is made where necessary for obsolete, slow-moving and defective stocks. Cost is determined on a first-in first-out basis.

#### **Finance leases**

Assets held under the finance lease arrangements have been capitalised and are included in fixed assets at their fair value at the inception of the lease. The obligations relating to finance leases, net of finance charges in respect of future years, are included as appropriate under creditors due within or after more than one year. The interest element of the lease rental is allocated to accounting years during the lease on an accruals basis. The interest charge is based on the outstanding finance lease creditor.



## **Centrica PB Limited**

### **Notes to the financial statements for the year ended 31 December 2011 (continued)**

#### **1. Statement of accounting policies (continued)**

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profits will be available against which the unused tax losses can be utilised

##### **Decommissioning provision**

Provision is made for the net present value of the estimated cost of decommissioning the power station at the end of its useful life, based on price levels and technology at the balance sheet date

Changes in these estimates and changes to the discount rates are dealt with prospectively. When this provision gives access to future economic benefits, a decommissioning asset is recognised and amortised on a straight-line basis over the useful life of the facility. The unwinding of the discount on the provision is included in the profit and loss account within interest expense

##### **Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term

##### **Impairment**

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately

## **Centrica PB Limited**

### **Notes to the financial statements for the year ended 31 December 2011 (continued)**

#### **1. Statement of accounting policies (continued)**

##### **EU Emissions Trading Scheme**

Granted CO2 emissions allowances received in a period are initially recognised at nominal value (nil value) and through the tolling agreement are gifted to the tollee. As part of the tolling arrangement, the tollee must provide the Company with sufficient allowances to meet the company's emissions obligation on the settlement date. The liability is measured at the cost of the allowances provided by the tollee. A matching receivable from the tollee is recognised at the same time.

##### **Community Energy Savings Programme**

The Community Energy Savings Programme (CESP) requires certain licensed electricity generators to meet a carbon reduction obligation. As part of the tolling agreement, the tollee must perform qualifying carbon reduction actions in order to discharge the CESP obligation. Where a liability exists at balance sheet date (because the qualifying actions have not fully discharged the obligation), the liability is measured at the estimated future cost of discharging the obligation. A matching receivable from the tollee is recognised at the same time.

#### **2. Cash flow statements and related party disclosures**

The Company is a wholly-owned subsidiary of GB Gas Holdings Limited and is included in the consolidated financial statements of Centrica plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of financial reporting standard 1 (revised 1996) "Cash Flow Statements". The Company is also exempt under the terms of financial reporting standard 8 "Related Party Disclosures" from disclosure of transactions with other companies that are part of the Centrica plc group.

#### **3. Turnover**

All turnover relates to the principal activity of the business and occurs wholly in the United Kingdom.

During the financial year the rentals receivable under operating leases were £879,000 (2010: £nil).

There was no income generated under finance leases in 2011 (2010: £nil).

## Centrica PB Limited

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 4. Operating (loss) / profit

	2011 £000	2010 £000
<b>Operating (loss) / profit is stated after charging:</b>		
Depreciation of tangible fixed assets - owned (note 10)	1,332	1,365
Depreciation of tangible fixed assets - leased (note 10)	4,233	5,401
Exceptional operating item - impairment (note 10)	35,000	-
Exceptional operating item - stock write-down (note 12)	3,462	-
Exceptional operating item - restructuring (note 16)	1,049	-
Operating lease charges - plant and machinery	498	498
<b>Services provided by the Company's auditor:</b>		
Fees payable for the audit	8	8

Auditors' remuneration totalling £7,600 (2010 £8,000) relates to fees for the audit of the UK GAAP statutory accounts of Centrica PB 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 PB Limited

#### 5. Directors' emoluments

The aggregate emoluments paid to Directors in respect of their qualifying services were £126,697 (2010 £203,458) and the aggregate value of company contributions paid to a pension scheme in respect of Directors' qualifying services were £8,872 (2010 £12,430)

There were 4 Directors (2010 4) to whom retirement benefits are accruing under a defined benefit pension scheme 2 Directors (2010 2) received shares in the ultimate parent company in respect of their qualifying services under a long-term incentive scheme and 1 Director (2010 1) exercised share options relating to the ultimate parent company

In the prior year the highest paid Director received emoluments of £73,118 and the company contributed £3,803 to their pension scheme In the prior year the highest paid Director accrued retirement benefits under a defined benefit pension scheme, the accrued value at the balance sheet date was £25,298 In addition, the highest paid Director received shares in respect of qualifying services under a long-term incentive scheme and exercised share options relating to the ultimate parent company in the prior year

#### 6. Employee information

The Company has no direct employees (2010 nil) However, costs amounting to £2,569,000 (2010 £3,287,000) were incurred during the year in respect of an average of 34 (2010 37) staff providing services to Centrica PB Limited under an employee services agreement with a Centrica group company

## **Centrica PB Limited**

### **Notes to the financial statements for the year ended 31 December 2011 (continued)**

#### **7 Interest receivable and similar income**

	<b>2011 £000</b>	<b>2010 £000</b>
Interest received in relation to local authority payment refunds	-	38
Interest receivable from Group undertakings	<u>397</u>	<u>35</u>
	<u><b>397</b></u>	<u><b>73</b></u>

#### **8 Interest payable and similar charges**

	<b>2011 £000</b>	<b>2010 £000</b>
Decommissioning provision notional interest	19	23
Finance lease charges	<u>4,445</u>	<u>5,220</u>
	<u><b>4,464</b></u>	<u><b>5,243</b></u>

## Centrica PB Limited

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 9. Tax on (loss) / profit on ordinary activities

	2011 £000	2010 £000
<b>(a) Analysis of tax charge in the period</b>		
The tax charge comprises		
<b>Current tax:</b>		
UK corporation tax at 26.5% (2010: 28%)	-	-
<b>Deferred tax:</b>		
Effect of change to deferred tax rate	499	(87)
Origination and reversal of timing differences	(2,854)	1,495
Adjustments in respect of prior years	-	(401)
<b>Tax on profit / (loss) on ordinary activities</b>	<b>(2,355)</b>	<b>1,007</b>

#### (b) Factors affecting the tax charge for the period

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss) / profit before tax are as follows

	2011 £000	2010 £000
<b>(Loss) / profit on ordinary activities before taxation</b>	<b>(32,190)</b>	<b>5,924</b>
Profit / (loss) on ordinary activities multiplied by the standard rate in the UK of 26.5% (2010: 28%)	<b>(8,530)</b>	<b>1,659</b>
Effects of		
Expenses not deductible for tax purposes	1,347	382
Capital allowances in excess of depreciation	7,088	(1,521)
Other timing differences	14	25
Group relief for nil consideration	(219)	(806)
UK-UK transfer pricing	300	261
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

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 was substantively enacted on 29 March 2011. A further reduction 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. 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 reduction of £542,000 to the deferred tax asset.

## Centrica PB Limited

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 10. Tangible assets

	Freehold land and buildings £000	Power station assets £000	Turbine components, other plant and machinery £000	Decommissioning asset £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2011	3,081	80,762	24,518	1,060	109,421
Additions	-	269	177	-	446
Revision of abandonment estimate	-	-	-	(402)	(402)
<b>At 31 December 2011</b>	<b>3,081</b>	<b>81,031</b>	<b>24,695</b>	<b>658</b>	<b>109,465</b>
<b>Accumulated depreciation</b>					
At 1 January 2011	1,379	33,130	16,503	318	51,330
Charge for the year	142	3,993	1,396	34	5,565
Impairment charge	-	30,450	4,550	-	35,000
<b>At 31 December 2011</b>	<b>1,521</b>	<b>67,573</b>	<b>22,449</b>	<b>352</b>	<b>91,895</b>
<b>Net book amount</b>					
<b>At 31 December 2011</b>	<b>1,560</b>	<b>13,458</b>	<b>2,246</b>	<b>306</b>	<b>17,570</b>
At 31 December 2010	1,702	47,632	8,015	742	58,091
Following a review of the value in use of the power station asset, an impairment charge of £35,000,000 has been made					
The net book value of assets held under finance lease, representing certain items of plant and machinery sold and leased back since 2007, was as follows					
<b>At 31 December 2011</b>	<b>1,528</b>	<b>11,164</b>	<b>591</b>	<b>-</b>	<b>13,283</b>
At 31 December 2010	1,667	45,419	6,194	-	53,280

## Centrica PB Limited

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 11. Investments

The Company holds 100% of the issued share capital of Centrica Leasing (PB) Limited, a company registered in England and Wales. This investment was acquired on 20 December 2007 for a total consideration of £500,002.

The Directors believe the value of the investment to be supportable due to the nature and length of the leasing arrangement between the Company and Centrica Leasing (PB) Limited.

Consolidated accounts are not required because Centrica PB Limited and Centrica Leasing (PB) Limited have been consolidated in the accounts of Centrica plc, which is a UK-registered company for which accounts are publicly available.

#### 12. Stocks

	2011 £000	2010 £000
Strategic spares and consumables	<u>2,287</u>	<u>5,510</u>

Following a review of the net realisable value of stock, a stock write-down of £2,739,000 has been made (2010: £nil).

#### 13. Debtors

	2011 £000	2010 £000
Amounts owed by other Group undertakings	70,194	68,565
Value Added Tax	-	82
Other debtors	412	62
Prepayments and accrued income	<u>-</u>	<u>22</u>
	<u>70,606</u>	<u>68,731</u>

The amounts receivable from Group undertakings include £8,209,604 (2010: £8,415,393 payable) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 1.71% and 2.71% per annum during 2011 (2010: 1.32% and 2.11%). The other amounts receivable from Group undertakings are interest-free. All amounts receivable from Group undertakings are unsecured and repayable on demand.

## Centrica PB Limited

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 14. Creditors – amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	191	377
Amounts owed to Group undertakings	33	33
Value Added Tax	53	-
Emissions obligation	6	-
Community Energy Saving Programme	232	203
Accruals and deferred income	3,306	186
Obligations under intra-Group finance lease (see note 15)	<u>13,705</u>	<u>12,916</u>
	<u>17,526</u>	<u>13,715</u>

Amounts owed to Group undertakings are unsecured and repayable on demand

#### 15. Creditors – amounts falling due after more than one year

	2011 £000	2010 £000
Obligations under intra-Group finance lease	<u>43,139</u>	<u>56,734</u>
<b>Maturity of finance lease liabilities</b>		
	2011 £000	2010 £000
Less than one year	13,705	12,916
Between one and five years	38,508	51,826
Over five years	<u>4,631</u>	<u>4,908</u>
	<u>56,844</u>	<u>69,650</u>

The finance lease obligations represent amounts owing to Centrica Leasing (PB) Limited, the Company's subsidiary undertaking, relating to a 7½ -year and a 20-year finance lease



# Centrica PB Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 16. Provisions for liabilities

	Deferred taxation £000	Decommissioning provision £000	Restructuring provision £000	Total £000
At 1 January 2011	2,355	1,197	-	3,552
Additions and revisions	-	(405)	-	(405)
Charged to the profit and loss account	(2,355)	19	1,049	(1,287)
<b>At 31 December 2011</b>	<b>-</b>	<b>811</b>	<b>1,049</b>	<b>1,860</b>

#### Restructuring provision

During the year a restructuring provision was made of £1,049,000 to cover redundancy costs related to business restructuring

#### Deferred taxation

	As at 1 January 2011 £000	Profit and loss charge £000	As at 31 December 2011 £000
Deferred corporation tax			
- accelerated capital allowances	2,477	(2,334)	143
- other timing differences	(122)	(21)	(143)
	<b>2,355</b>	<b>(2,355)</b>	<b>-</b>

The deferred corporation tax provision at 25% (2010 27%) is analysed as follows

	Provided		Unprovided	
	This period £000	Last period £000	This period £000	Last period £000
Deferred corporation tax				
- accelerated capital allowances	143	2,477	-	-
- other timing differences	(143)	(122)	-	-
	<b>-</b>	<b>2,355</b>	<b>-</b>	<b>-</b>

## Centrica PB Limited

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 17. Called up share capital

	2011 £	2010 £
<b>Allotted and fully paid:</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

#### 18. Profit and loss account

	2011 £000
At 1 January 2011	59,004
Loss for the financial year	<u>(29,835)</u>
<b>At 31 December 2011</b>	<b><u>29,169</u></b>

#### 19. Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000
(Loss) / profit for the financial year	(29,835)	4,917
Opening shareholders' funds	<u>59,004</u>	<u>54,087</u>
<b>Closing shareholders' funds</b>	<b><u>29,169</u></b>	<b><u>59,004</u></b>

#### 20. Pension commitments

The charge to the profit and loss account represents the amount of contributions payable to defined contribution pension schemes in respect of the accounting period for the employees that are recharged to the Company. Differences between contributions payable and contributions actually paid in the period are shown as either accruals or prepayments in the balance sheet. The total cost recharged to the Company for pension costs under the service level agreement with another Group company was £771,000 (2010: £1,350,000).

#### 21. Financial commitments

At 31 December 2011 the Company had commitments for the following year under non-cancellable operating leases expiring as follows:

	Land and buildings		Other	
	2011 £000	2010 £000	2011 £000	2010 £000
After five years	<u>538</u>	<u>498</u>	<u>-</u>	<u>-</u>

## **Centrica PB Limited**

### **Notes to the financial statements for the year ended 31 December 2011 (continued)**

#### **22. Capital and other commitments**

Contracted future capital expenditure as at 31 December 2011 was £130,000 (2010 £337,000)

#### **23. Ultimate parent undertaking**

The Company's immediate parent undertaking is GB Gas Holdings Limited, a company registered in England and Wales

The Company's ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated financial statements. Copies of the Centrica plc consolidated financial statements may be obtained from [www.centrica.com](http://www.centrica.com)