

**REGISTERED NUMBER: 4487586**

**CENTRICA RESOURCES PETROLEUM UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2009**

**SATURDAY**



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# **Centrica Resources Petroleum UK Limited**

## **Directors' report for the year ended 31 December 2009**

The Directors present their report and the audited financial statements of Centrica Resources Petroleum UK Limited ("the Company") for the year ended 31 December 2009

### **Principal activities**

Until 31 December 2007, the principal activity of the Company was the exploration, development and extraction of gas reserves on the UK continental shelf. On 31 December 2007 the trade, assets and liabilities of the Company were transferred to Centrica Resources Limited for consideration of £179,692,621

### **Business review**

The Company held an interest bearing loan with Centrica Resources Limited throughout the period

### **Results and dividends**

The results of the Company are set out on page 5. The Company is unlikely to trade during 2010

The profit on ordinary activities after taxation for the year ended 31 December 2009 is £3,239,711 (2008 £10,951,018). No dividends were paid during the year and the Directors do not recommend the payment of a final dividend (2008 nil)

### **Financial position**

The financial position of the Company is presented in the Balance Sheet on page 6. Shareholders' funds as at 31 December 2009 were £193,883,350 (2008 £190,643,639)

### **Future developments**

The Company is unlikely to trade during 2010

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

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 29-34 of the 2009 Annual Report and Accounts of the Group which does not form part of this report

The Company does not take part in hedging of any kind

### **Key performance indicators (KPIs)**

The Directors of the Group use a number of KPIs to monitor progress against the Group's strategy. The development, performance, which includes the Company, are discussed on pages 8-9 of the 2009 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

Centrica Directors Limited	(appointed 5 January 2009)
Pamela Coles	(appointed 12 November 2009)
Simon Clark	(resigned 5 January 2009)
Peter Cole	(resigned 5 January 2009)
John Shears	(resigned 5 January 2009)
Paul Moore	(resigned 12 November 2009)

### **Creditor payment policy**

It is the Company's policy to pay all of its creditors in accordance with the policies set out below

- 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 Resources Petroleum UK Limited**

## **Directors' report for the year ended 31 December 2009 – 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.

### **Post balance sheet events**

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 18 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.

### **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,
- 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 in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

# **Centrica Resources Petroleum UK Limited**

## **Directors' report for the year ended 31 December 2009 – continued**

### **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 July 2010



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

Company registered in England and Wales No 4487586  
Registered Office  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

# **Centrica Resources Petroleum UK Limited**

## **Independent auditors' report to the members of Centrica Resources Petroleum UK Limited**

We have audited the financial statements of Centrica Resources Petroleum UK Limited for the year ended 31 December 2009 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 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 2009 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.

### **Basis of preparation**

We draw attention to note 1, which explains that following the transfer of the trade, assets and liabilities to another company the going concern basis of accounting is not appropriate. Adjustments were made in the financial statements for 2007, where appropriate, to reduce assets to their estimated realisable values, to provide for liabilities arising from the decision, and to reclassify fixed assets and long-term liabilities as current assets and liabilities. Our opinion is not qualified in this respect.

### **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 French (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
23 July 2010

## Centrica Resources Petroleum UK Limited

### Profit and loss account for the year ended 31 December 2009

	Notes	2009 £	2008 £
Other interest receivable and similar income	4	3,242,290	10,951,018
Interest payable and similar charges	5	(2,579)	-
<b>Profit on ordinary activities before taxation</b>		<b>3,239,711</b>	<b>10,951,018</b>
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year and retained profit for the financial year</b>	11	<b>3,239,711</b>	<b>10,951,018</b>

The Company has not traded during the year

The Company has no recognised gains and losses other than the profit for the year stated above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between profit on ordinary activities before tax and profit for the year stated above and their historical cost equivalents

A statement of movements in shareholders' funds is shown in note 11

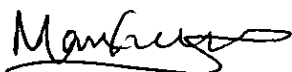
The notes on pages 7 to 10 form part of these financial statements

# Centrica Resources Petroleum UK Limited

## Balance Sheet as at 31 December 2009

	Notes	2009 £	2008 £
<b>Current assets</b>			
Debtors (amounts falling due within one year)	7	<u>193,885,929</u>	190,643,639
		193,885,929	190,643,639
<b>Creditors (amounts falling due within one year)</b>	8	<u>(2,579)</u>	-
<b>Net current assets</b>		193,883,350	190,643,639
<b>Net assets</b>		<u>193,883,350</u>	<u>190,643,639</u>
<b>Capital and reserves</b>			
Called up share capital	9	37,998,300	37,998,300
Share premium reserve	10	1,757,700	1,757,700
Profit and loss reserve	10	<u>154,127,350</u>	<u>150,887,639</u>
<b>Total shareholders' funds</b>	11	<u>193,883,350</u>	<u>190,643,639</u>

The financial statements on pages 5 to 10 were approved and authorised for issue by the Board of Directors on 28 July 2010 and were signed on its behalf by



For and on behalf of  
Centrica Directors Limited  
Director

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

# Centrica Resources Petroleum UK Limited

## Notes to the financial statements for the year ended 31 December 2009

### 1. Statement of principal accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with United Kingdom Accounting Standards and the Companies Act 2006. On 31 December 2007 the trade, assets and liabilities of the Company were transferred to Centrica Resources Limited. As such the Company has ceased to trade, and as a result these accounts have been prepared on a break up basis since 31 December 2007.

#### (b) Exemptions

As the Company is a wholly owned subsidiary of Centrica Resources UK Holdings Limited which is a wholly owned subsidiary 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 disclosure of transactions with other companies that are part of the Centrica plc group.

#### (c) 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. Auditors' remuneration

	2009 £	2008 £
Auditors' remuneration - audit fees	8,695	8,695

Auditors' remuneration totalling £8,695 (2008: £8,695) relates to fees for the audit of the UK GAAP statutory accounts of Centrica Resources Petroleum 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 Resources Petroleum UK Limited. Of the auditors' remuneration £8,695 (2008: £8,695) is borne by Hydrocarbon Resources Limited, another Group company.

### 3. Directors' and employee information

#### i) Directors' remuneration

None of the Directors received any fees or remuneration from the Company for services as Director of the Company during the financial year (2008: £nil).

#### ii) Employee costs and numbers

The Company does not have any employees (2008: nil).

### 4. Other interest receivable and similar income

	2009 £	2008 £
Interest receivable from other group companies	3,242,290	10,951,018
	<u>3,242,290</u>	<u>10,951,018</u>



# Centrica Resources Petroleum UK Limited

## Notes to the financial statements for the year ended 31 December 2009 – continued

### 5. Interest payable and similar charges

	2009 £	2008 £
Other	(2,579)	-
	<u>(2,579)</u>	<u>-</u>

### 6. Tax on profit on ordinary activities

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

The tax charge comprises

	2009 £	2008 £
<b>Current tax:</b>		
- UK corporation tax at 28% (2008 28.5%)	-	-
- Adjustments in respect of prior years	-	-
Total current tax	-	-
<b>Deferred tax:</b>		
- Origination and reversal of timing differences	-	-
Taxation charge	-	-

#### (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 profit before tax are as follows

	2009 £	2008 £
<b>Profit on ordinary activities before tax</b>	<u>3,239,711</u>	<u>10,951,018</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2008 28.5%)	907,119	3,121,040
Effects of		
UK UK transfer pricing adjustment	(2,435)	(2,478)
Group relief for nil consideration	(904,684)	(3,118,562)
Adjustments to tax charge in respect of previous periods	-	-
<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly the company's profits for this accounting period are taxed at an effective rate of 28% (2008 28.5%).

# Centrica Resources Petroleum UK Limited

## Notes to the financial statements for the year ended 31 December 2009 – continued

### 7. Debtors (amounts falling due within one year)

	2009 £	2008 £
Amounts owed by group undertakings	193,885,929	190,643,639
	<u>193,885,929</u>	<u>190,643,639</u>

Amounts owed by group undertakings include an intercompany loan of £179,692,621 which is unsecured, repayable on demand and bears interest at LIBOR plus 50 basis points

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

	2009 £	2008 £
Amounts due to group undertakings	2,579	-
	<u>2,579</u>	<u>-</u>

Amounts due to group undertakings are unsecured, repayable on demand and is non interest bearing

### 9. Called-up share capital

	2009 £	2008 £
<b>Authorised:</b>		
1,000,000 ordinary shares of £100 each	100,000,000	100,000,000
<b>Allotted, called up and fully paid</b>		
379,983 Ordinary shares of £100 each	37,998,300	37,998,300

### 10 Reserves

	Share premium reserve £	Profit and loss reserve £	Total £
At 1 January 2009	1,757,700	150,887,639	152,644,639
Profit for the financial year	-	3,239,711	3,239,711
<b>At 31 December 2009</b>	<u>1,757,700</u>	<u>154,127,350</u>	<u>155,884,350</u>

### 11. Reconciliation of movements in shareholder's funds

	2009 £	2008 £
At 1 January	190,643,639	179,692,621
Profit for the financial year	3,239,711	10,951,018
<b>At 31 December</b>	<u>193,883,350</u>	<u>190,643,639</u>

## **Centrica Resources Petroleum UK Limited**

### **Notes to the financial statements for the year ended 31 December 2009 – continued**

#### **12. Ultimate parent undertaking**

The Company's immediate parent undertaking is Centrica Resources UK Holdings Limited, a company registered in England and Wales

The ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales, which is the largest and smallest group to consolidate the financial statements of Centrica Resources Petroleum UK Limited. Copies of the financial statements of Centrica plc may be obtained from [www.centrica.com](http://www.centrica.com)