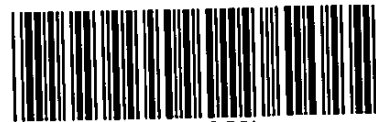


Centrica Storage Holdings Limited

Annual Report for the year ended 31 December 2011

Registered number : 4573558

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**Centrica Storage Holdings Limited**  
**Company Information**

**Directors**

I G Dawson  
G S Collinson  
S M Wills

**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**

4573558

## **Centrica Storage Holdings Limited**

**Registered number: 4573558**

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

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

#### **Principal activities**

The principal activity of the Company is to act as the holding company of the Centrica Storage group, which includes the companies detailed as per note 9 of the financial statements

For the purposes of the Companies Act 2006, this constitutes one class of business

#### **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

The key business risks and uncertainties the Company is exposed to are, interest rate risk and liquidity risk largely related to amounts owed to the Group

As these amounts are owed to another Group company interest rate risk is not actively managed by the Company

On 23 December 2011 as part of an internal reorganisation by the ultimate parent company, the outstanding loan with another group company Centrica Jersey Limited became non-interest bearing from this date and any accrued interest became part of the principle loan amount

Management have received assurances that the £568.5 million loan owed to group undertakings (2010 £566.7 million) will be extended, if not settled by the due date. This is regarded as a current liability. The repayment date is 30 June 2012. Liquidity risk management is discussed below

#### **Financial risk management**

The Company's objectives and policies for managing financial risks are regularly reviewed along with the Centrica Storage Holdings Limited group of companies

The Directors have established objectives and policies for managing financial risks, to enable the Centrica Storage group to achieve long-term shareholder value growth within a prudent risk management framework

The Centrica Storage group has a Financial Risk Management Committee which meets on a regular basis

#### **Liquidity risk**

Cash forecasts identifying the liquidity requirements of the Company are produced periodically and monitored by the directors. Management have been in discussion with the group treasury department to ensure that the outstanding debt can be re-financed with Centrica group companies on maturity of existing finance structures. The repayment of the £568.5 million loan referred to above will be managed by the Group

#### **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 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

## **Centrica Storage Holdings Limited**

**Registered number: 4573558**

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

### **Future developments**

The directors envisage the Company continuing to operate as a holding company for the foreseeable future

The Company continues to assess the Baird storage project, which remains an attractive investment option subject to an improvement in market conditions

The Caythorpe fast-cycle project remains on hold and the Company continues to monitor market conditions going forward

### **Results and dividends**

The results of the Company are set out on page 6

The net profit for the year ended 31 December 2011 of £805.2 million (2010 £1.4 million loss) has been transferred to reserves

The Directors paid an Interim Dividend during the year of £800 million (2010 £nil). No Final Dividend has been proposed

By special resolution passed on 19 December 2011 the Company reduced its share capital from 545,290,014 31 to 545,000,001 by cancelling its issued irredeemable preference shares (29,001,331 shares at a nominal value of £0.01)

### **Financial Position**

The financial position of the Company is presented in the balance sheet on page 7. Shareholder funds at 31 December 2011 were £634.9 million (2010 £629.4 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

I G Dawson  
G S Collinson  
S M Wills

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

**Centrica Storage Holdings Limited****Registered number: 4573558****Directors' Report for the year ended 31 December 2011 (continued)****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 4573558, England and Wales

Registered Office

Venture House

42-54 London Road

Staines, Middlesex

TW18 4HF

## **Centrica Storage Holdings Limited**

### **Independent auditors' report to the member of Centrica Storage Holdings Limited**

We have audited the financial statements of Centrica Storage Holdings 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 3, 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 the 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 accounts 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 Storage Holdings Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2011**

	Notes	2011 £000	2010 £000
Administrative expenses		(15)	148
<b>Operating (loss)/profit</b>	2	<u>(15)</u>	<u>148</u>
Interest receivable and similar income	6	3,018	6,914
Interest payable and similar charges	7	(9,188)	(8,413)
Income from shares in group undertakings	3	811,429	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>805,244</u>	<u>(1,351)</u>
Tax on profit/(loss) on ordinary activities	8	-	-
<b>Profit/(loss) for the financial year</b>		<u>805,244</u>	<u>(1,351)</u>

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 14 form part of these financial statements

**Centrica Storage Holdings Limited**  
**Balance Sheet**  
**as at 31 December 2011**

	Notes	2011 £000	2010 £000
<b>Fixed assets</b>			
Investments	9	1,090,665	1,085,665
<b>Current assets</b>			
Debtors	10	158,637	164,953
Cash at bank and in hand		<u>155</u>	<u>303</u>
		158,792	165,256
<b>Creditors: amounts falling due within one year</b>	11	(614,515)	(621,223)
<b>Net current liabilities</b>		<u>(455,723)</u>	<u>(455,967)</u>
<b>Total assets less current liabilities</b>		<u>634,942</u>	<u>629,698</u>
<b>Creditors: amounts falling due after more than one year</b>	12	-	(290)
<b>Net assets</b>		<u>634,942</u>	<u>629,408</u>
<b>Capital and reserves</b>			
Called up share capital	13	545,000	545,000
Share premium	14	30,234	30,234
Profit and loss account	15	59,708	54,174
<b>Total shareholder's funds</b>	17	<u>634,942</u>	<u>629,408</u>

These financial statements on pages 6 to 14 were approved and authorised for issue by the board of directors on 20 June 2012 and were signed on its behalf by



S M Wills  
Director

Approved by the board on 20 June 2012  
The Company's Registered number is 4573558



## **Centrica Storage Holdings 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, as its ultimate parent company, Centrica plc, has confirmed that it will ensure the Company can meet its liabilities and obligations as they fall due for one year from the date of approval of these financial statements. These financial statements are prepared 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 financial statements contain information about Centrica Storage Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, 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.

##### ***Fixed asset investments***

Fixed asset investments are shown at cost less any provision for impairment.

##### ***Interests in joint ventures***

A jointly controlled entity is a joint venture which involves the establishment of an entity to engage in economic activity, which the Company controls jointly with its venture partners. Investments in jointly controlled entities are carried at cost less any impairment in the value of individual investments.

##### ***Interest***

Interest payable is recognised when accrued.

##### ***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.

## **Centrica Storage Holdings Limited**

### **Notes to the Financial Statements for the year ended 31 December 2011**

#### **1 Principal accounting policies (continued)**

##### ***Taxation (continued)***

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.

##### ***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.

##### ***Dividend distribution***

Final dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the board.

# Centrica Storage Holdings Limited

## Notes to the Financial Statements for the year ended 31 December 2011

<b>2 Operating (loss)/profit</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>

This is stated after charging

Auditors' remuneration for audit services	<u>15</u>	<u>12</u>
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Auditors' remuneration of £14,600 (2010 £11,992) relates to fees for the audit of the UK GAAP statutory accounts of Centrica Storage Holdings 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 Storage Holdings Limited

<b>3 Income from group undertakings</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>

Dividend Income	<u>811,429</u>	<u>-</u>
	<u>811,429</u>	<u>-</u>

Income from group undertakings include Dividend income from Centrica Storage Limited of £800,000,000 (2010 nil) and from Centrica Onshore Processing UK limited £11,429,428 (2010 nil)

<b>4 Directors' emoluments</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Emoluments	49	73
Company contributions to defined benefit pension schemes	<u>8</u>	<u>8</u>
	<u>57</u>	<u>81</u>

There were 3 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 2) who exercised share options relating to the ultimate parent company

<b>Number of directors in company pension schemes:</b>	<b>2011</b>	<b>2010</b>
	<b>Number</b>	<b>Number</b>
Defined benefit schemes	<u>3</u>	<u>3</u>

<b>5 Employee costs</b>	
Centrica Storage Holdings Limited has no employees (2010 nil) and no staff costs (2010 nil) All costs relating to employees are borne by another group company	

<b>6 Interest receivable and similar income</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from Group undertakings	<u>3,018</u>	<u>6,914</u>

**Centrica Storage Holdings Limited**  
**Notes to the Financial Statements for the year ended 31 December 2011**

<b>7 Interest payable and similar charges</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Interest on amount owed to group undertakings	7,381	6,682
Preference Share Interest	1,807	1,731
	<u>9,188</u>	<u>8,413</u>

<b>8 Tax on profit/(loss) on ordinary activities</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of charge in period</b>		
Tax on profit on ordinary activities	-	-

**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 follows

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Profit/(loss) on ordinary activities before tax	<u>805,244</u>	<u>(1,351)</u>
Standard rate of corporation tax in the UK	26.5%	28%
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	213,390	(378)
Effects of		
Group relief for nil consideration	1,323	107
Dividend income received from/paid to UK Companies	(214,550)	485
UK UK transfer pricing adjustment	(163)	(214)
	<u>-</u>	<u>-</u>
Current tax charge for period	-	-

No deferred tax arises for the year (2010 nil)

**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 was substantively enacted on 29 March 2011. A further reduction to 25% from 1 April 2012 was substantively enacted on 5 July 2011 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 further reduce the rate by 1% per annum to 22% by 1 April 2014. The impact of these proposed changes on the financial statements would be nil since the Company has no deferred tax balances.

# Centrica Storage Holdings Limited

## Notes to the Financial Statements for the year ended 31 December 2011

### 9 Investments

	Investments in subsidiary undertakings £000	Investments in Joint Ventures £000	Total £000
<b>Cost</b>			
At 1 January 2011	1,057,564	28,101	1,085,665
Additions	-	5,000	5,000
At 31 December 2011	<u>1,057,564</u>	<u>33,101</u>	<u>1,090,665</u>

The Directors believe that the book value of investments is not less than the value of the underlying assets

At 31 December 2011 the Company had investments in the following subsidiary and joint venture undertakings

Subsidiary undertakings	Country of Incorporation	Ordinary shares and net assets %	Principal activity
Centrica Storage Limited	England	100	Gas storage
Centrica Onshore Processing UK Limited	England	100	Gas processing
Caythorpe Gas Storage Limited	England	100	Gas storage
Centrica Jersey Limited	Channel Islands	100	Financing
Joint ventures	Country of Incorporation	Ordinary shares and net assets %	Principal activity
Bacton Storage Company Limited	England	70	Gas storage

10 Debtors	2011 £000	2010 £000
Amounts owed by group undertakings	<u>158,637</u>	<u>164,953</u>

The amounts receivable from group undertakings include £141 million (2010 £150.3) 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 LIBOR + 4.25%). The other amounts receivable from group undertakings are interest-free. All amounts receivable from group undertakings are unsecured and repayable on demand.

11 Creditors: amounts falling due within one year	2011 £000	2010 £000
Amounts owed to group undertakings	614,515	619,463
Other creditors	<u>-</u>	<u>1,760</u>
	<u>614,515</u>	<u>621,223</u>

Amounts owed to Group undertakings includes £568.5 million (2010 £566.7 million) which is repayable on demand. In December 2011 this loan became non interest bearing (2010 LIBOR plus 50 bps). Other amounts due to Group undertakings are repayable on demand and do not bear interest.

**Centrica Storage Holdings Limited**  
**Notes to the Financial Statements for the year ended 31 December 2011**

<b>12 Creditors: amounts falling due after one year</b>			<b>2011</b>	<b>2010</b>
			<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings			-	290
Amounts owed to group undertakings related to 29,001,331 cumulative irredeemable preference shares of nominal value of £0.01 each issued on 31 December 2003. The 29,001,331 preference shares were presented as a financial liability within creditors in accordance with FRS 25 "Financial Instruments Presentation". By special resolution passed on 19 December 2011 the Company cancelled the preference shares. The liability totalling £290,013.31 was released to the profit and loss account as a reserve transaction.				
<b>13 Share capital</b>	<b>Nominal value</b>	<b>2011 Number</b>	<b>2011 £000</b>	<b>2010 £000</b>
Allotted, called up and fully paid Ordinary shares	£1 each	545,000,001	545,000	545,000
<b>14 Share premium</b>			<b>2011 £000</b>	<b>2010 £000</b>
At 1 January			30,234	30,234
At 31 December			30,234	30,234
<b>15 Profit and loss account</b>			<b>2011 £000</b>	<b>2010 £000</b>
At 1 January			54,174	55,525
Profit/(loss) for the financial year			805,244	(1,351)
Cancellation of Preference Shares			290	-
Dividends			(800,000)	-
At 31 December			59,708	54,174
<b>16 Dividends</b>			<b>2011 £000</b>	<b>2010 £000</b>
Dividends for which the Company became liable during the year				
Dividends paid			800,000	-
<b>17 Reconciliation of movement in shareholder's funds</b>			<b>2011 £000</b>	<b>2010 £000</b>
At 1 January			629,408	630,759
Profit/(loss) for the financial year			805,244	(1,351)
Dividends			(800,000)	-
Cancellation of preference shares			290	-
At 31 December			634,942	629,408

## **Centrica Storage Holdings Limited**

### **Notes to the Financial Statements for the year ended 31 December 2011**

#### **18 Post balance sheet events**

There are no reportable post balance sheet events for the Company

#### **19 Related party transactions**

##### **Bacton Storage Company Limited**

##### **Joint Venture**

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Amount due from the related party	17,551	14,668

The Company owns 70 percent of the ordinary shares in the Bacton Storage Company Limited. The amount due by joint venture companies includes debit balance for Bacton Storage Company Limited of £17,551k (2010 £14,668k), which was to fund capital expenditure.

#### **20 Ultimate controlling party**

Centrica plc, a company registered in England and Wales is the ultimate holding company and ultimate controlling party. Centrica plc has a 100 percent interest in the equity share capital of Centrica Holdings Limited. Centrica Holdings Limited in turn owns 100 percent of the issued share capital of GB Gas Holdings Limited. GB Gas Holdings Limited owns 100 percent of the issued share capital of Centrica Storage Holdings Limited and 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](http://www.centrica.com)