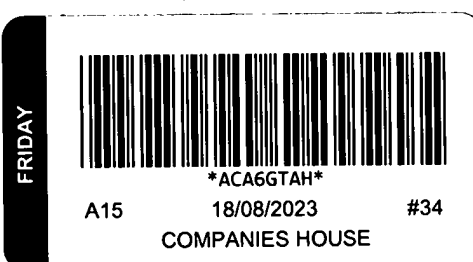


Registration number: 04710850

Centrica Beta Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



Centrica Beta Holdings Limited

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Centrica Beta Holdings Limited

Strategic Report for the Year Ended 31 December 2022

The Directors present their Strategic Report for Centrica Beta Holdings Limited (the 'Company') for the year ended 31 December 2022.

Principal activity

The principal activities of the Company are to act as an investment holding company and the provision of financing to Group companies.

Section 172(1) Statement

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (d) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

General confirmation of Directors' duties

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (d) as described below.

(a) The likely consequences of any decision in the long term

The Directors remain conscious that decisions made could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to ensure that our decisions are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as supplier of long-term equity capital to the Company.

(b) The impact of the company's operations on the community and the environment

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group.

(c) The desirability of the company maintaining a reputation for high standards of business conduct

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

Centrica Beta Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

(d) The need to act fairly as between members of the company

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

Culture

The Company's culture is set by the Group and embedded in all we do. Further information on the Group's culture can be found on pages 7, 37, 44 to 45, 56 to 59, 67 and 71 of Centrica plc's Annual Report and Accounts 2022.

Stakeholder Engagement

As is normal for large companies, the Directors delegate authority for day to day management of the Company to executives engaged in setting, approving and overseeing execution of the business strategy and related policies of the Group. While there may be cases where the Directors judge that the Company should engage directly with certain stakeholder groups or on specific issues, the size and spread of both our stakeholders and the Group means that generally, stakeholder engagement best takes place at an operational or Group level. The Directors consider that as well as being a more efficient and effective approach, this also helps achieve a greater positive impact on environmental, social and other issues than working alone as an individual company. A description of how the Group engages with its stakeholders is set out on pages 12 to 13, 37 to 38 and 66 to 71 of Centrica plc's Annual Report and Accounts 2022.

Review of the business

The financial position of the Company is presented in the Statement of Financial Position on page 15. Total equity as at 31 December 2022 was £1,758,642,000 (2021: £1,447,608,000). The profit for the financial year ended 31 December 2022 was £311,034,000 (2021: £2,620,797,000).

On 20 July 2022, under the 'Deed of Release', Company's direct undertaking Centrica America Limited paid an interim dividend of US\$ 383,192.43 (£193,000) to release the fixed non-interest bearing and unsecured receivable of US\$ 383,292.33 (£238,000 including impact of foreign exchange of £45,000) from the Company (regardless of it being an amount in excess of the value of the interim dividend paid to the Company) as outlined in note 11. This resulted in a profit on disposal of investment of £45,000 as disclosed in note 5. After the payment of dividend, the Company's investment in Centrica America Limited of £231,000 was deemed irrecoverable and was fully impaired as disclosed in note 5.

On 26 July 2022, the requisite filing was made for the dissolution of Centrica America Limited.

On 1 November 2022, Centrica America Limited was dissolved after its name was struck off the Registrar of Companies on 25 October 2022.

On 30 November 2022, under the 'Deed of Waiver', Centrica Finance (US) Limited paid an interim dividend of £90,860,000 to waive an interest-bearing receivable of £90,860,000 from the Company (being an amount equal to the amount of interim dividend) as disclosed in note 11.

On 31 December 2022, the final impairment on Company's investments in Centrica Finance (US) Limited of £89,669,000 (2021: £321,170,00) was recognised to reflect the net worth of Centrica Finance (US) Limited at the reporting date as disclosed in note 5.

The Company reassessed the recoverability of its investments in Centrica Business Holding Inc. and no indicators of impairment (2021: £127,715,000) were noted at the reporting date as disclosed in note 5.

See note 9 on Page 26 for further details of the Company's investments.

Centrica Beta Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Ukraine conflict

The Company is a subsidiary of the Centrica group, and as such is impacted by the energy crisis and Ukraine conflict. The energy markets remain very volatile, but the Centrica group continues to maintain a hedging strategy aligned to the price cap to minimise the exposure to market prices. The Company does not own any businesses or operate in Russia or Ukraine and so has no direct impacts from those two countries. Furthermore, the Company has no investments in Russian entities or bonds. The Company is not expecting any direct material impacts but will keep monitoring the position.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with those of the Centrica plc group (the 'Group') and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are disclosed on pages 38-43 of the Group's Annual Report and Accounts 2022, which does not form part of this report.

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company is exposed to interest rate risks linked to Centrica plc Group's (the "Group") cost of funds. As the interest rate risks relate to transactions with other Group companies they are not actively managed by the Company. Centrica plc manages the interest rate risk on long-term borrowings in line with the Group policy by ensuring the exposure to floating point interest rates remain in the range of 30% to 70% including the impact of interest rate derivatives.

The Company is exposed to changes in the exchange rate of United States Dollars to Pounds Sterling. This is managed by having matching assets and liabilities in each currency. Some of the assets are investments which are not revalued, resulting in a risk on re-translation of working capital balances. The Directors are satisfied that in the long term the level of risk is acceptable for the Company and in the short term is consistent with the hedging policies of the Group.

Carbon emissions and energy usage

Carbon emissions and energy usage are not disclosed at a Company level due to exemptions detailed in Para 20A of Schedule 7 of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Carbon emissions and energy usage reporting for the Group is included in the 'People and Planet' section on pages 42-44 of Centrica plc's Annual Report and Accounts 2022. Specific metrics and targets are disclosed in the 'Task Force on Climate-related Financial Disclosures' section on pages 51 to 53 of the Group's Annual Report and Accounts 2022.

Key performance indicators ('KPIs')

Given the nature of the business, the Company's Directors are of the opinion that the KPIs necessary for an understanding of the development, performance and position of the Company are net assets and profit after tax, and these are shown above.

The Directors of the Group use a number of KPIs to monitor progress against the Group's strategy. The development, performance and position of the Group, which includes the Company, are disclosed on pages 26-27 of the Group's Annual Report and Accounts 2022, which does not form part of this report. The results of the Company are disclosed in the Directors' Report on page 5.

Centrica Beta Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Future developments

After the liquidation of Company's direct subsidiary Centrica America Limited and full impairment of Company's investment in Centrica Finance (US) Limited in 2022, a review of the Group's remaining investments is under way and some further reorganisations to entities owned by the Company are possible.

The Company will continue its principal activity of acting as an investment holding company and provision of finance to the Group Companies for the foreseeable future.

Approved by the Board on 3/7/2023 and signed on its behalf by:



.....
By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 04710850

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
United Kingdom

Centrica Beta Holdings Limited

Directors' Report for the Year Ended 31 December 2022

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors of the Company

The Directors of the Company, who were in office during the year and up to the date of signing the financial statements were as follows:

G J Kendall (resigned 10 January 2023)

R Roy

M Blake

The following director was appointed after the year end:

A Z Fink (appointed 10 January 2023)

Results and dividends

The results of the Company are set out on page 13. The profit for the financial year ended 31 December 2022 is £311,034,000 (2021: £2,620,797,000 profit).

The Company did not pay an interim dividend during the year (2021: £1,250,000,000) and the Directors do not recommend the payment of a final dividend (2021: £nil).

Financial instruments

The Company's policy for the management of risk in relation to its Financial Instruments is included in the Strategic Report on page 3.

Financial risk management policy

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed.

Exposure in terms of price risk, credit risk, liquidity risk and cash flow risk

Exposure to price risk, counterparty credit risk, liquidity risk and cash flow risk arises in the normal course of the Company's business. Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly. Liquidity risk is managed through funding arrangements with Group undertakings. Credit risk is managed through the Group continually reviewing its rating thresholds for relevant counterparty credit limits and updating these as necessary, based on a consistent set of principles. Price risks are managed through using a range of derivatives to hedge any exposures arising.

Future developments

Future developments are discussed in the Strategic Report on page 4.

Centrica Beta Holdings Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Going concern

The Directors have received confirmation that provided the Company remains part of the Group, Centrica plc will support the Company for at least one year after the financial statements were authorised for issue and that amounts owed to Group undertakings will not be required to be repaid for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

The Group going concern assessment as at 31 December 2022 is based upon the Group Annual Plan for 2023 and the longer-term strategic forecast for 2024 and 2025. The Group's focus on the energy supply and services businesses means the most significant risks continue to be shorter-term in nature including asset performance, commodity prices, weather and margin cash requirements. Important context to the going concern assessment is the management of the Group's financing profile through accessing a diverse source of term funding and maintaining access to carefully assessed levels of standby liquidity which support the Group's planned financial commitments. As at 31 December 2022, the Group had total committed credit facilities of £6.5 billion, of which £1.1 billion are temporary facility extensions that expire in mid-2023, £0.2 billion expire in 2024 and the remaining £5.2 billion expire in 2025. The Group undrawn committed facilities as at 31 December 2022 were £4.0 billion in addition to Group unrestricted cash and cash equivalents of £3.7 billion.

The full Centrica Group results were released on 16th February 2023 which confirm that the Group's liquidity has been stress-tested for different scenarios including reasonably possible increases/decreases in commodity prices and the risk of margin outflows in the trading and upstream businesses. Risks considered also included the impact of significant adverse weather events, increased bad debt charges due to the cost of living crisis, the risk of financial loss due to counterparty default and production falls in the Group's upstream business. Due to the elevated and more volatile commodity prices in 2022, the Group has established enhanced processes in the trading business and in respect of Upstream to plan for and manage possible increases in margin cash requirements. The largest margin outflow modelled in the going concern scenarios is significantly in excess of actual margin requirements experienced in 2021 and 2022. Following this work, the level of undrawn committed bank facilities and available cash resources enabled the Group's Directors to conclude that there are no material uncertainties relating to the Group's going concern, and that adopting the going concern basis of accounting was appropriate.

On the basis of the enquiries made, and the fact that Centrica plc, the ultimate parent company, has confirmed it will continue to support the Company, the Directors have concluded that the Company should be able to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis.

Based on Company's last signed financial statements and the 2022 full-year profit of 311,034,000 (including a dividend of £90,860,000 from Centrica Finance (US) Limited and final impairment of investment in Centrica Finance (US) Limited of £89,900,000), the Company has retained distributable reserves of £1,304,984,000 as at 31 December 2022.

The 'cash' position (as reflected by the net Treasury Loan Account ('TLA') intercompany balance) of the entity is expected to remain strong. The net TLA balance at 31 December 2022, after the liquidation of Centrica America Limited and settlement of the amounts owed to Centrica Finance (US) Limited, is £1,732,318,000. In October 2022, the Company has closed the escrow accounts holding the cash balances totalling £250,011,000 (including interest) relating to the security over Group pension schemes. This cash was restricted for the purposes of dividend payments.

Based on the above profit and cash position and the retention of existing reserve balances, the Directors have concluded not to impair the Company's ability to settle its existing or future obligations and that the Company shall continue as a going concern for the foreseeable future.

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

Centrica Beta Holdings Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 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 that they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

In accordance with Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Centrica Beta Holdings Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Approved by the Board on ^{3/7/2023}..... and signed on its behalf by:



.....
By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 04710850
Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
United Kingdom

Centrica Beta Holdings Limited

Independent Auditors' Report to the Members of Centrica Beta Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Centrica Beta Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Centrica Beta Holdings Limited

Independent Auditors' Report to the Members of Centrica Beta Holdings Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the documentation of the policies and procedures relating to fraud and compliance with laws and regulations that has been established by the Company's ultimate parent. We also enquired of management and directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Centrica Beta Holdings Limited

Independent Auditors' Report to the Members of Centrica Beta Holdings Limited (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Centrica Beta Holdings Limited

Independent Auditors' Report to the Members of Centrica Beta Holdings Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Winstone

Daryl Winstone (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: *5/7/23*

Centrica Beta Holdings Limited

Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Operating (cost)/income		-	209
Exceptional items - net impairment charges	5	(89,900)	(448,885)
Exceptional items - costs relating to the sale of related undertakings	5	-	(22,475)
Exceptional items - net income on the disposal of investments	5	45	1,897,001
Operating (loss)/profit		(89,855)	1,425,850
Income from shares in Group undertakings	6	91,053	1,157,615
Finance income	6	345,865	130,431
Finance costs	6	(32,451)	(93,099)
Net finance income		313,414	37,332
Profit before taxation		314,612	2,620,797
Taxation charge	8	(3,578)	-
Profit for the financial year		311,034	2,620,797

The above results were derived from continuing operations.

Centrica Beta Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022	2021
	£ 000	£ 000
Profit for the year	<u>311,034</u>	<u>2,620,797</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>311,034</u>	<u>2,620,797</u>

The notes on pages 17 to 32 form an integral part of these financial statements.

Centrica Beta Holdings Limited

Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Non-current assets			
Investments	9	29,900	119,800
Trade and other receivables	10	<u>3,216,948</u>	<u>2,875,683</u>
		<u>3,246,848</u>	<u>2,995,483</u>
Current assets			
Trade and other receivables	10	-	4,365
Cash and cash equivalents		<u>2</u>	<u>250,011</u>
		<u>2</u>	<u>254,376</u>
Total assets		<u>3,246,850</u>	<u>3,249,859</u>
Current liabilities			
Trade and other payables	11	(1,484,630)	(1,802,251)
Current tax liabilities	8	<u>(3,578)</u>	<u>-</u>
		<u>(1,488,208)</u>	<u>(1,802,251)</u>
Net current liabilities		<u>(1,488,206)</u>	<u>(1,547,875)</u>
Net assets		<u>1,758,642</u>	<u>1,447,608</u>
Equity			
Share capital	12	433,000	433,000
Share premium		20,658	20,658
Retained earnings		<u>1,304,984</u>	<u>993,950</u>
Total equity		<u>1,758,642</u>	<u>1,447,608</u>

The financial statements on pages 13 to 32 were approved and authorised for issue by the Board of Directors on 3/7/2023 and signed on its behalf by:



M Blake
Director

Company number 04710850

Centrica Beta Holdings Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2022	433,000	20,658	993,950	1,447,608
Profit for the year	-	-	311,034	311,034
Total comprehensive income	-	-	311,034	311,034
At 31 December 2022	<u>433,000</u>	<u>20,658</u>	<u>1,304,984</u>	<u>1,758,642</u>

	Share capital £ 000	Share premium £ 000	Accumulated losses £ 000	Total equity £ 000
At 1 January 2021	433,000	20,658	(376,847)	76,811
Profit for the year	-	-	2,620,797	2,620,797
Total comprehensive expense	-	-	2,620,797	2,620,797
Dividends	-	-	(1,250,000)	(1,250,000)
At 31 December 2021	<u>433,000</u>	<u>20,658</u>	<u>993,950</u>	<u>1,447,608</u>

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

Centrica Beta Holdings Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

The address of its registered office and principal place of business is:

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
United Kingdom

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

2 Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of UK adopted International Financial Reporting Standards ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company financial statements are presented in pounds sterling which is the functional currency of the Company.

Changes in accounting policy

From 1 January 2022, the following standards and amendments are effective in the Company's Financial Statements:

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', costs of fulfilling a contract; and
- Amendments to IAS 16: 'Property, Plant and Equipment', sale proceeds before intended use; and
- Annual improvements to IFRS 2018-2020.

None of these changes or amendments had any material impact on the Company's financial statements.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

In these financial statements, as a qualifying entity the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 'Statement of Cash Flows';
- the statement of compliance with Adopted IFRSs;
- the effects of new but not yet effective IFRSs;
- prior year reconciliations for property, plant and equipment and intangible assets;
- the prior year reconciliations in the number of shares outstanding at the beginning and at the end of the year for share capital;
- disclosures in respect of related party transactions with wholly-owned subsidiaries in a group;
- disclosures in respect of the compensation of key management personnel; and
- disclosures in respect of capital management.

As the consolidated financial statements of the Centrica plc group (the 'Group'), which are available from its registered office, include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IAS 36 'Impairment of Assets' in respect of the impairment of goodwill and indefinite life intangible assets;
- certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures' have not been provided apart from those which are relevant for the financial instruments which are held at fair value; and
- certain disclosures required by IFRS 3 'Business Combinations' in respect of business combinations undertaken by the Company; and
- disclosures of the net cash flows attributable to the operating, investing and financing activities of discontinued operations.

Measurement convention

The financial statements have been prepared on the historical cost basis except for investments in subsidiaries that have been recognised at deemed cost on transition to FRS 101. These financial statements are presented in pound sterling (with all values rounded to the nearest thousand pounds (£'000s) except when otherwise indicated), which is also the functional currency of the Company. Operations and transactions conducted in currencies other than the functional currency are translated in accordance with the foreign currencies accounting policies.

Exemption from preparing group accounts

The financial statements contain information about the Company 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 controlling company, Centrica plc.

Going concern

The Directors have received confirmation that provided the Company remains part of the Group, Centrica plc will support the Company for at least one year after the financial statements were authorised for issue and that amounts owed to Group undertakings will not be required to be repaid for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

The Group going concern assessment as at 31 December 2022 is based upon the Group Annual Plan for 2023 and the longer-term strategic forecast for 2024 and 2025. The Group's focus on the energy supply and services businesses means the most significant risks continue to be shorter-term in nature including asset performance, commodity prices, weather and margin cash requirements. Important context to the going concern assessment is the management of the Group's financing profile through accessing a diverse source of term funding and maintaining access to carefully assessed levels of standby liquidity which support the Group's planned financial commitments. As at 31 December 2022, the Group had total committed credit facilities of £6.5 billion, of which £1.1 billion are temporary facility extensions that expire in mid-2023, £0.2 billion expire in 2024 and the remaining £5.2 billion expire in 2025. The Group undrawn committed facilities as at 31 December 2022 were £4.0 billion in addition to Group unrestricted cash and cash equivalents of £3.7 billion.

The full Centrica Group results were released on 16th February 2023 which confirm that the Group's liquidity has been stress-tested for different scenarios including reasonably possible increases/decreases in commodity prices and the risk of margin outflows in the trading and upstream businesses. Risks considered also included the impact of significant adverse weather events, increased bad debt charges due to the cost of living crisis, the risk of financial loss due to counterparty default and production falls in the Group's upstream business. Due to the elevated and more volatile commodity prices in 2022, the Group has established enhanced processes in the trading business and in respect of Upstream to plan for and manage possible increases in margin cash requirements. The largest margin outflow modelled in the going concern scenarios is significantly in excess of actual margin requirements experienced in 2021 and 2022. Following this work, the level of undrawn committed bank facilities and available cash resources enabled the Group's Directors to conclude that there are no material uncertainties relating to the Group's going concern, and that adopting the going concern basis of accounting was appropriate.

On the basis of the enquiries made, and the fact that Centrica plc, the ultimate parent company, has confirmed it will continue to support the Company, the Directors have concluded that the Company should be able to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis.

Finance costs

Interest expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Where a specific financing arrangement is in place, the specific borrowing rate for that arrangement is applied. For non-specific financing arrangements, a borrowing rate representative of the weighted average borrowing rate is used. Financing costs not arising in connection with the acquisition, construction or production of a qualifying asset are expensed.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. To ensure the business performance reflects the underlying results of the Company, these exceptional items are disclosed separately in the income statement. Items which may be considered exceptional in nature include disposals of businesses, business restructurings, significant onerous contract charges and asset write-downs/impairments.

Financing costs

Financing costs that arise in connection with the acquisition, construction or production of a qualifying asset are capitalised and subsequently amortised in line with the depreciation of the related asset. Financing costs are capitalised from the time of acquisition or from the beginning of construction or production until the point at which the qualifying asset is ready for use. Where a specific financing arrangement is in place, the specific borrowing rate for that arrangement is applied. For non-specific financing arrangements, a financing rate representative of the weighted average borrowing rate is used. Financing costs not arising in connection with the acquisition, construction or production of a qualifying asset are expensed.

Foreign currencies

Transactions in foreign currencies are, on initial recognition, recorded in the functional currency of the Company at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency of the Company at the rates prevailing at the reporting date, and associated gains and losses are recognised in the Income Statement for the year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income' or 'finance costs'. All other foreign exchange gains and losses are presented in the Income Statement in the respective financial line item to which they relate.

Changes in the fair value of foreign currency denominated monetary securities classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in a currency other than the functional currency of the Company are translated using the exchange rate prevailing at the dates of the initial transaction and are not retranslated. Non-monetary items measured at fair value in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 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 substantively enacted by the reporting date. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in equity. In this case, the tax is recognised in equity.

Deferred tax is recognised in respect of all temporary differences identified at the reporting date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if impairment of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that the deductible temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement using tax rates that have been enacted or substantively enacted at the reporting date.

Investments in subsidiaries

Fixed asset investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs of disposal. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss in respect of goodwill shall not be reversed in a subsequent period. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

The Company provides for impairments of financial assets when there is objective evidence of impairment as a result of events that impact the estimated future cash flows of the financial assets.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Company no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

- Trade and other receivables

Trade receivables are initially recognised at fair value, which is usually the original invoice amount, and are subsequently held at amortised cost using the effective interest method less an allowance for expected credit losses.

- Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

- Trade and other payables

Trade payables are initially recognised at fair value, which is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method (although, in practice, the discount is often immaterial). If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

- Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are re-acquired (treasury or own shares) are deducted from equity. No gain or loss is recognised in the Company's Income Statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the Directors' opinion there are no key sources of critical accounting judgements as at the reporting date.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Recoverability of investments in subsidiaries undertakings

A key source of estimation of the Company is the valuation of its investments in subsidiary undertakings. Based on an impairment review conducted at 31 December 2022, the carrying value of the investments in its direct subsidiaries, Centrica Finance (US) Limited and Centrica America Limited, was in excess of the estimated recoverable amount and as a result, impairment charges of £89,669,000 (2021: £321,170,000) and £231,000 (2021: £nil) have been reflected as disclosed in note 5.

The impairment resulted from the payment of a dividend of £90,860,000 (2021: £1,000,000,000) and £193,000 (2021: £nil) to the Company from these subsidiaries respectively as disclosed in note 6. This has resulted in an increase in the net assets of the Company but a reduction in the recoverable value of these subsidiaries at the reporting date. Refer to Strategic report for further details.

Credit provisions for inter-company receivables

The review of inter company receivables for the provision for credit losses is performed on an annual basis and is based on an expected credit loss model that calculates any expected loss applicable to the receivable balance. The model takes into account whether the receivable is repayable on demand and the probability of default by the counterparty. As at 31 December 2022, The impairment review process supported the recoverability of the receivable balances as no impairment indicators were noted during the year. As a result, the expected credit loss provision recognised in 2022 is £nil (2021: £nil) in respect of the receivables disclosed in note 10 at the reporting date.

4 Employee costs

The Company had no employees during the year (2021: nil).

The Directors were remunerated as employees of the Centrica plc Group and did not receive any remuneration, from any source, specifically for their services as Directors of the Company during the current or preceding financial year.

5 Exceptional items

The following exceptional items were recognised in arriving at operating profit for the reporting year:

	2022 £ 000	2021 £ 000
Exceptional items - net impairment charges ⁽ⁱ⁾	(89,900)	(448,885)
Exceptional items - costs relating to the sale of related undertakings ⁽ⁱⁱⁱ⁾	-	(22,475)
Exceptional items - net income on the disposal of investments ⁽ⁱⁱⁱ⁾	45	1,897,001
	<u>(89,855)</u>	<u>1,425,641</u>

(i) Impairment charges are analysed below:

	2022 £ 000	2021 £ 000
Net impairment charges		
Centrica Finance (US) Limited	89,669	321,170
Centrica America Limited	231	-
Centrica Business Holding Inc	-	127,715
	<u>89,900</u>	<u>448,885</u>

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 Exceptional items (continued)

(i) In 2022, both investments in Centrica Finance (US) Limited and Centrica America Limited were fully impaired by £89,669,000 (2021: £321,170,000) and £231,000 (2021: £nil) to their recoverable value respectively as deemed irrecoverable after they made a dividend payment to the Company. Refer to Strategic report for further details. In 2021, the investment in Centrica Business Holdings Inc. was impaired by £127,715,000 to its recoverable value.

(ii) In 2021, £22,475,000 was incurred in relation to the sale of the North American business to NRG Inc, which was completed on 5 January 2021. In 2022, no such cost was incurred during the year.

(iii) On 20 July 2022, £45,000 of profit on disposal of investments arose when the Company received an interim dividend of £193,000 from Centrica America Limited to release the whole debt of £238,000 owed to it by the Company. In 2021, £1,897,001,000 of profit on sale was recognised at the time of sale of Centrica (US) Holdings Inc. Investments in North American business, which was completed on 5 January 2021.

6 Net finance income/(cost)

Income from shares in Group undertakings

	2022 £ 000	2021 £000
Centrica Finance (US) Limited ⁽ⁱ⁾	90,860	1,000,000
Centrica Business Holdings Inc ⁽ⁱⁱ⁾	-	157,615
Centrica America Limited ⁽ⁱⁱⁱ⁾	193	-
Total income from shares in Group undertakings	91,053	1,157,615

(i) On 30 November 2022, the Company received an interim dividend of £90,860,000 (2021: £1,000,000,000) from its direct subsidiary, Centrica Finance (US) Limited. Refer to Strategic report for further details.

(ii) In 2021, the Company received the final distribution of £157,615,000 on acquiring 100% of the shares in Centrica Business Holdings Inc at the time of sale of US business of Direct Energy to NRG Inc. In 2022, no such dividend was received as no other investments are acquired by the Company during the year.

(iii) On 20 July 2022, the Company received an interim dividend of US\$ 383,000 (£193,000) (2021: £nil) from its direct subsidiary, Centrica America Limited releasing the whole debt owed to it by the Company. Refer to Strategic report for further details.

Finance income

	2022 £ 000	2021 £ 000
Interest income from amounts owed by Group undertakings	56,068	130,420
Interest income on bank deposits	393	11
Net foreign exchange gains on financing transactions	289,404	-
Total finance income	345,865	130,431

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Net finance income/(cost) (continued)

Finance cost

	2022 £ 000	2021 £ 000
Interest on amounts owed to Group undertakings	(32,451)	(80,740)
Net foreign exchange losses on financing transactions	-	(12,359)
Total finance costs	(32,451)	(93,099)
Net finance cost	313,414	37,332

7 Auditors' remuneration

Auditors' remuneration totalling £6,719 (2021: £6,280) relates to fees for the audit of the Financial Statements of the Company and is borne by Centrica plc.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the Group financial accounts of its ultimate parent, Centrica plc.

8 Income tax

Tax credited/(charged) in the Income Statement

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax at 19% (2021: 19%)	-	-
UK corporation tax adjustment to prior periods	(3,578)	-
	(3,578)	-

The UK rate of corporation tax for the year ended 31 December 2022 was 19% (2021: 19%). The rate of corporation tax has increased to 25% with effect from 1 April 2023. As at 31 December 2022 the deferred tax balances included in these Financial Statements are based on the enacted rate of corporation tax having regard to their reversal profiles.

The differences between the taxes shown above and the amounts calculated by applying the standard rate of UK corporation tax to the profit before tax are reconciled below:

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Income tax (continued)

	2022 £ 000	2021 £ 000
Profit before tax	314,612	2,620,797
Tax on profit at standard UK corporation tax rate of 19% (2021: 19%)	(59,776)	(497,951)
Decrease from effect of income exempt from taxation	17,300	580,437
Increase from effect of expenses not deductible in determining taxable profit	(17,081)	(86,781)
Decrease arising from group relief tax reconciliation	55,981	4,273
(Increase)/Decrease from transfer pricing adjustments	(2)	22
Total tax charge	(3,578)	-

9 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2021	570,037
Additions ⁽ⁱ⁾	181,965
Disposals ⁽ⁱⁱ⁾	(183,274)
At 31 December 2021	568,728
At 1 January 2022	568,728
At 31 December 2022	568,728
Provision	
At 1 January 2021	(43)
Provision ⁽ⁱⁱⁱ⁾	(448,885)
At 31 December 2021	(448,928)
At 1 January 2022	(448,928)
Impairments provided in the year ⁽ⁱⁱⁱ⁾	(89,900)
At 31 December 2022	(538,828)
Net book value	
At 31 December 2022	29,900
At 31 December 2021	119,800

(i) On 5 January 2021, the Company acquired 100% shares of US\$ 214,672,000 (£157,615,000) in Centrica Business Holdings Inc. after the Sale of Direct Energy, to NRG Energy Inc. At the time of sale, the Company made a capital contribution of £24,350,000 to US business of Direct Energy, Centrica US Holdings Inc which was subsequently disposed of as a part of the transaction.

(ii) On 5 January 2021, as a part of the sale, the Company also disposed both of its direct and indirect investments in US business of Direct Energy, Centrica US Holdings Inc with a carrying value of £183,274,000.

(iii) Investment impairments are listed in note 5.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Investments (continued)

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Astrum Inc.	Solar, Home and/or commercial services	2 Wisconsin Circle #700, Chevy Chase, MD 20815, United States	Ordinary shares	100%	100%
CBS US Solar Fund 1, LLC	Distributed Energy & Power	3411 Silverside Road, Suite 104, Tatnall Building, Wilmington, DE 19810, United States	Membership interest	100%	100%
Centrica Business Holdings Inc.*	Holding company	3411 Silverside Road, Rodney Building #104, Wilmington, DE 19810, United States	Ordinary shares	100%	100%
Centrica Business Solutions Asset Management, LLC	Energy management products and services	3411 Silverside Road, Suite 104, Tatnall Building, Wilmington, DE 19810, United States	Membership interest	100%	100%
Centrica Business Solutions Optimize, LLC	Energy management products and services	3411 Silverside Road, Suite 104, Tatnall Building, Wilmington, DE 19810, United States	Membership interest	100%	100%
Centrica Business Solutions Services, Inc.	Energy management products and services	3411 Silverside Road, Suite 104, Tatnall Building, Wilmington, DE 19810, United States	Ordinary shares	100%	100%
Centrica Business Solutions Inc.	US, Energy management products and services	3411 Silverside Road, Suite 104, Tatnall Building, Wilmington, DE 19810, United States	Ordinary shares	100%	100%

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica Finance (US) Limited* (i)	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Innovations US, Inc.	Investment company	3411 Silverside Road, Suite 104, Tatnall Building, Wilmington, DE 19810, United States United States	Ordinary shares	100%	100%
Centrica Nigeria Limited*	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Resources (Nigeria) Limited	Non Trading	Sterling Towers, 20 Marina, Lagos, Nigeria Nigeria	Ordinary shares	100%	100%
ENER-G Rudox, LLC	Energy management products and services	3411 Silverside Road, Suite 104, Tatnall Building, Wilmington, DE 19810, United States United States	Membership interest	100%	100%
South Energy Investments, LLC	Investment company	6 Landmark Square, 4th floor, Stamford CT 06901, United States United States	Membership interest	100%	100%
Vista Solar, Inc.	Distributed Energy & Power	4640 Admiralty Way, 5th floor, Marina del Rey, California 90292, United States United States	Ordinary shares	100%	100%
Allegheny 1, LLC	Solar Energy supply and/or services	1209 Orange Street, Wilmington, New Castle County, DE 19801, United States United States	Membership interest	40%	40%

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
C2 Centrica MT, LLC	Energy supply and/or services	850 New Burton Road, Suite 201, Dover, DE 19904, United States	Membership interest	50%	50%
Three Rivers Solar 1, LLC	Energy supply and/or services	1209 Orange Street, Wilmington, New Castle County, DE 19801, United States	Membership interest	40%	40%
Three Rivers Solar 2, LLC	Energy supply and/or services	1209 Orange Street, Wilmington, New Castle County, DE 19801, United States	Membership interest	40%	40%
Three Rivers Solar 3, LLC	Energy supply and/or services	1209 Orange Street, Wilmington, New Castle County, DE 19801, United States	Membership interest	40%	40%
Centrica Finance Alpha Limited (ii)	Non Trading	Millstream, Maidenhead Road, United Kingdom	Ordinary shares	0%	100%
Centrica America Limited* (iii)	Non Trading	Millstream, Maidenhead Road, United Kingdom	Ordinary shares	0%	100%

* indicates direct investment of the Company

(i) There is an active proposal to strike off Company's direct subsidiary Centrica Finance (US) Limited.

(ii) Dissolved on 1 November 2022.

(iii) The investment in Company's direct subsidiary Centrica America Limited was fully impaired in July 2022 before its dissolution on 1 November 2022.

The country of incorporation is the same as that of the registered address. All companies principally operate within their country of incorporation.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Trade and other receivables

	2022		2021	
	Current	Non-current	Current	Non-current
	£ 000	£ 000	£ 000	£ 000
Amounts owed by Group undertakings	-	3,216,948	4,365	2,875,683

Amounts owed by GB Gas Holdings Limited of £393,980,000 (2021: £388,544,000) are unsecured and accrue interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds with interest payable quarterly in arrears and are repayable on demand. The quarterly rates ranged between 0.35% and 2.72% per annum (2021: 3.61% and 4.23%).

Amounts owed by Centrica plc of US\$ 3,408,874,000 (£2,822,968,000) (2021: US\$ 3,360,553,000 (£2,482,494,000)) are unsecured, accrue interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 0.20% and 3.34% per annum (2021: 3.69% and 4.41%).

Amounts relating to Group Relief are £nil (2021: £4,365,000) as settled in 2022 and are interest-free.

The amounts owed by Centrica plc are £nil (2021: £4,645,000) as settled in 2022 and are interest-free.

All amounts owed by Group undertakings are repayable on demand but are not expected to be settled within a period of twelve months and therefore, £3,216,948,000 (2021: £2,875,683,000) is deemed as non current assets at reporting date.

11 Trade and other payables

	2022	2021
	Current	Current
	£ 000	£ 000
Amounts owed to Group undertakings	(1,484,630)	(1,802,251)

Amounts owed to Centrica plc includes £1,389,874,000 (2021: £1,615,424,000) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 0.35% and 2.72% per annum during 2022 (2021: 3.61% and 4.23%). All amounts payable to Group undertakings are unsecured with interest payable monthly in arrears and are repayable on demand.

Amounts owed to Centrica plc totalling US\$ 114,422,000 (£94,756,000) (2021: US\$ 112,856,000 (£83,368,000)) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds with interest payable monthly in arrears and are repayable on demand. The quarterly rates ranged between 0.20% and 3.34% per annum during 2022 (2021: 3.69% and 4.41%).

Amounts owed to Centrica Finance (US) Limited of US\$ 121,998,000 (£103,542,000) settled on 30 November 2022 (2021 US\$ 139,730,000 (£103,221,000)), are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds with interest payable monthly in arrears and are repayable on demand. The quarterly rates ranged between 0.20% and 3.34% per annum during 2022 (2021: 3.69% and 4.41%). Refer to Strategic report for further details.

Amounts owed to Centrica America Limited of £238,000 settled on 20 July 2022 (2021: £238,000) are interest-free and unsecured. Refer to Strategic report for further details.

Amounts owed to Group undertakings are unsecured and repayable on demand.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Capital and reserves

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	433,000,003	433,000,003	433,000,003	433,000,003

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Share premium

Consideration transferred in excess of the nominal value of ordinary shares is allocated to share premium.

Retained earnings

The balance classified as retained earnings includes the profits and losses realised by the Company in previous periods that were not distributed to the shareholders of the Company at the reporting date.

13 Commitments and contingencies

Other financial commitments

In previous years, the Registered Pension Schemes held a security package over the Group's equity shareholding in the Direct Energy business, which amounted to £1,235,000,000, enforceable in the unlikely event the Group was unable to meet its obligations. In January 2021, as part of the Direct Energy disposal, this security package was released by the Pension Trustees. In exchange, the Group provided replacement security of £745,000,000 of letters of credit and £250,000,000 cash in escrow accounts held in the name of the Company.

In October 2022, as part of the £400,000,000 loan arrangement from Centrica plc to the Registered Pension Schemes (described in note 22 (b) of Consolidated Group Financial Statements), this security was reduced by £545,000,000 million, resulting in the release of £250,000,000 cash along with accrued interest held in escrow accounts in the name of the Company, so that only £450,000,000 of letters of credit remained at the year-end. When this loan is repaid, replacement security may be required (dependent on the funding position) and the form of security will be at the Group's discretion.

Subsequent to the cash release in October 2022, the escrow accounts held in the Company are closed and therefore, the Company provides no securities over these Pension Schemes at reporting date.

14 Parent and ultimate parent undertaking

The immediate parent undertaking is Centrica plc, a company registered in England and Wales.

The ultimate parent undertaking 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.

Centrica Beta Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Parent and ultimate parent undertaking (continued)

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Centrica plc.

The registered address of Centrica plc is:

Millstream
Maidenhead Road
Windsor
SL4 5GD
United Kingdom

The above is also the smallest group in which these financial statements are consolidated.