

CENTRICA NIGERIA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

REGISTERED NUMBER: 5579645

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Centrica Nigeria Limited

Directors' report for the year ended 31 December 2007

The Directors present their report and the audited financial statements of Centrica Nigeria Limited (the "Company") for the year ended 31 December 2007 (comparative period 15 month period ended 31 December 2006)

Principal activities

The principal activity of the Company is to act as an investment holding company

Business Review

The Company continued with its major activity in the year of being a holding company No other transactions have taken place

Financial results

The results of the Company are set out on page 5 The Company's profit after tax for the year is £nil (2006 £nil)

Dividends

No dividends were paid in the period and the Directors do not recommend payment of a dividend (2006 nil)

Principal risks and uncertainties and financial risk management

The Company is holding an investment in a subsidiary company The principal risk and uncertainty facing the Company is that the performance of the subsidiary company does not result in dividend income to the Company or that its investment, or other possible future investments, may become impaired in value

Exposure to currency risk arises in the normal course of the Company's business and is managed within parameters set by the Directors

The Company does not take part in hedging of any kind

Key performance indicators (KPI's)

The Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Centrica Nigeria Limited

Future developments

The Directors intend that the Company will continue to act as a holding company for the foreseeable future

Directors

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

	Date of appointment	Date of resignation
Phillip Bentley	30 September 2005	02 August 2007
John Clark	30 September 2005	
Charlotte Redcliffe	30 September 2005	

Centrica Nigeria Limited

Directors' report for the year ended 31 December 2007-continued

Related party transactions

The Company has taken advantage of the exemptions within Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other Centrica Group companies. There have been no other related party transactions during the period requiring disclosure (period ended 31 December 2006 nil)

Creditor payment policy

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

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

The Company had no trade creditors in this period or the last

Charitable and political donations

The Company made no political or charitable donations during the period

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

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss for that period

In preparing those 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, 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 confirm that they have complied with the above requirements in preparing the Financial Statements

The Directors are responsible for keeping proper accounting records that 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 1985. 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 Director's Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Centrica Nigeria Limited

Directors' report for the year ended 31 December 2007-continued

Auditors

In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to reappoint auditors annually and PricewaterhouseCoopers LLP will therefore continue in office

This report was approved by the Board on 16 October 2008



for and on behalf of

Centrica Secretaries Limited

Company Secretary

Registered office

Millstream

Maidenhead Road

Windsor

Berkshire SL4 5GD

Centrica Nigeria Limited

Independent auditors' report to the member of Centrica Nigeria Limited

We have audited the financial statements of Centrica Nigeria Limited for the period ended 31 December 2007 which comprise the profit and loss account, the balance sheet, statement of total recognised gains or losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its result for the period ended 31 December 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London WC2N 6RH
16 October 2008

Centrica Nigeria Limited

Profit and Loss Account for the year ended 31 December 2007

The Company did not recognise any profit or loss during the year (period ended 31 December 2006 £nil)

Statement of Total Recognised Gains and Losses for the year ended 31 December 2007

	Note	Year ended 31 December 2007 £	15 month period ended 31 December 2006 £
Profit for the financial period		-	-
Exchange gains / (losses) arising on foreign currency equity investments	5	2,499	(5,092)
Exchange gains arising on foreign currency liabilities		-	2,711
Total recognised gain / (losses) for the period		2,499	(2,381)

Centrica Nigeria Limited

Balance Sheet as at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Investments	5	42,915	40,416
Current assets			
Amounts receivable from parent company		2	2
Net assets		<u>42,917</u>	<u>40,418</u>
Capital and Reserves			
Called up share capital	6	42,799	42,799
Other reserves	7	118	(2,381)
Shareholder funds	8	<u>42,917</u>	<u>40,418</u>

The financial statements on pages 5 to 9 were approved and authorised for issue by the Board of Directors on 16 October 2008 and were signed on its behalf by


Charlotte Redcliffe
Director

The notes on pages 7 to 9 form part of these financial statements

Centrica Nigeria Limited

Notes to the financial statements for the year ended 31 December 2007

1. Principal accounting policies

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The principal accounting policies are set out below.

The comparative information for the period ended 31 December 2006 is for a period of 15 months (period commenced 30 September 2005). As a result, comparatives for the profit and loss account, statement of total recognised gains and losses and related notes are not comparable to the current year data.

b) Exemptions

The Company is a wholly owned subsidiary undertaking of Centrica plc. The Company has taken advantage of the exemptions within FRS 1 "Cash Flow Statements", from presenting a cash flow statement, within FRS 2 "Accounting for Subsidiary Undertakings", from consolidating its subsidiary undertakings, and within FRS 8 "Related Party Disclosures", from disclosing transactions with other group companies.

c) Fixed asset investments

Fixed asset investments are included in the balance sheet at cost, less accumulated provisions for any impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

d) Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in the 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 net 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 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 the 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.

e) Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at closing rates of exchange.

Exchange differences on monetary assets and liabilities are taken to the profit and loss account except that exchange differences on foreign currency borrowings used to finance foreign currency equity investments in overseas subsidiary undertakings are taken directly to reserves. Exchange differences on foreign currency equity investments are taken directly to reserves. All other exchange movements are taken to the profit and loss account. Period end exchange rates used were £1 NGN 233.0187 (2006 £1 NGN 247.426).

Centrica Nigeria Limited

Notes to the financial statements for the year ended 31 December 2007-continued

2. Directors and employees

i) Directors remuneration

None of the Directors received any fees or remuneration from the Company for services as Director of the Company during the financial year. All of the Directors who served during the period are members of the ultimate parent company's defined benefit pension scheme.

ii) Employee costs and numbers

There were no employees during the period (2006: nil).

3. Operating costs

All expenses relating to the Company were borne by Centrica plc in this period and the last.

Auditors' remuneration of £5,000 (2006: £5,000) relates to fees for the audit of the UK GAAP statutory accounts of Centrica Nigeria Limited. In line with Tech 6/06, 'Disclosure of auditor remuneration', issued by the ICAEW, it excludes fees in relation to the audit of the IFRS group consolidation schedules for the purpose of the Centrica Group audit, which are borne by Centrica plc. Prior year audit fees have been restated to reflect this change.

4. Taxation

No taxation charge or credit arises in this period or the last.

5. Fixed asset investment

Cost	2007 £	2006 £
As at 1 January	40,416	-
Additions	-	45,508
Exchange adjustment	2,499	(5,092)
As at 31 December	42,915	40,416

6. Share capital

	2007 £	2006 £
Authorised		
50,000,000 ordinary shares of £1 each	50,000,000	50,000,000
Called up, allotted and fully paid		
42,799 ordinary shares of £1 each	42,799	42,799
	42,799	42,799

7. Reserves

	Profit and loss reserve	Other reserves	Total
As at 1 January 2007	-	(2,381)	(2,381)
Profit for the period	-	-	-
Foreign exchange gain/(loss) on fixed assets investment	-	2,499	2,499
As at 31 December 2007	-	118	118

8. Reconciliation of movements in shareholder funds

	2007 £	2006 £
Shareholder funds as at 1 January	40,418	42,799
Foreign exchange gains/(loss)	2,499	(2,381)
Shareholder funds as at 31 December 2007	42,917	40,418

Centrica Nigeria Limited

Notes to the financial statements for the year ended 31 December 2007-continued

9. Ultimate parent company

Centrica Beta Holdings Limited is the immediate parent company Centrica plc is the ultimate parent undertaking and the only group to consolidate the financial statements of the Company Copies of the Annual Report of Centrica plc may be obtained from www.centrica.com.