

REGISTERED NUMBER: 5579645

CENTRICA NIGERIA LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2009**



Centrica Nigeria Limited

Directors' report for the year ended 31 December 2009

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

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. At 31 December 2009 the fixed asset investment the Company holds in Centrica Resources (Nigeria) Limited was completely impaired due to that entity being in a net liability position. Centrica Resources (Nigeria) Limited intends to sell the licenses it holds in Nigeria during 2010.

Future developments

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

Results and dividends

The results of the Company are set out on page 5. The loss on ordinary activities after taxation for the year ended 31 December 2009 is £42,797 (2008: £nil). The Directors do not recommend the payment of a final dividend (2008: £nil).

Financial position

The financial position of the Company is presented in the balance sheet on page 6. Shareholders' funds at 31 December 2009 were £2 (2008: £42,799).

Principal risks and uncertainties and financial risk management

The Company holds an investment in its wholly owned subsidiary Centrica Resources (Nigeria) Limited. The principal activity of Centrica Resources (Nigeria) Limited is the carrying out of exploration activities.

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 and exchange rate fluctuations arise as the Company holds currencies and balances in a different currency to that of the Centrica Plc group "the Group". These are managed within parameters set by the Group.

The Company does not take part in hedging of any kind.

Key performance indicators (KPIs)

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

Directors

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

Charlotte Redcliffe

Lynne Turner (appointed 22 July 2009)

John Clark (resigned 30 January 2009)

Paul Hedley (appointed 30 January 2009, resigned 22 July 2009)

Centrica Nigeria Limited

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

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the year under review. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Post balance sheet events

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital. A Special Resolution was passed by the Company's sole member on 14 January 2010 to delete all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the Directors who held office at the date of approval of this Directors' report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all 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.

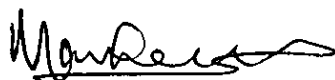
Centrica Nigeria Limited

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office

This report was approved by the Board on 28 July 2010



for and on behalf of
Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales No 5579645
Registered office
Millstream
Maidenhead Road
Windsor
Berkshire SL4 5GD

Centrica Nigeria Limited

Independent auditors' report to the members of Centrica Nigeria Limited

We have audited the financial statements of Centrica Nigeria Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit.

Richard French (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 July 2010

Centrica Nigeria Limited

Profit and Loss Account for the year ended 31 December 2009

	Note	2009 £	2008 £
Exceptional write-down of fixed asset investment	5	(42,797)	-
Loss on ordinary activities before taxation		(42,797)	-
Taxation	4	-	-
Loss for the financial year		(42,797)	-

There are no material differences between historical cost losses and the losses on ordinary activities before taxation and loss for the financial year as stated above

A statement of movements in equity shareholders' funds is shown in note 8

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

Statement of Total Recognised Gains and Losses for the year ended 31 December 2009

	Note	2009 £	2008 £
Loss for the financial year		(42,797)	-
Exchange (loss) arising on foreign currency equity investments	5	-	(118)
Total recognised loss in the year		(42,797)	(118)

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

Centrica Nigeria Limited

Balance Sheet as at 31 December 2009

	Note	2009 £	2008 £
Fixed assets			
Investments	5	-	42,797
Current assets			
Amounts receivable from parent company		2	2
Net assets		<u>2</u>	<u>42,799</u>
Capital and Reserves			
Called up share capital	6	42,799	42,799
Profit and loss reserve	7	(42,797)	-
Shareholder funds	8	<u>2</u>	<u>42,799</u>

The financial statements on pages 5 to 9 were approved and authorised for issue by the Board of Directors on 28 July 2010 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 2009

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 2006 and applicable United Kingdom accounting standards. The principal accounting policies are set out below.

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.

Within the 2006 and 2007 statutory accounts, the investment was re-valued at the closing naira / £ rate even though the foreign currency borrowing had effectively been repaid. As no further foreign currency borrowing is envisaged, management feel that it is correct to show the fixed asset investment at its historical value.

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 as they were employed by other Group companies during the year (2008 same). No recharge is made to the Company, as it is not possible to accurately apportion them and accordingly no amounts are included in the financial statements for these individuals.

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 year and no staff costs (2008 nil).

3. Operating costs

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

Auditors' remuneration relates to fees for the audit of the UK GAAP statutory accounts of Centrica Nigeria 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 Nigeria Limited. The auditors' remuneration of £8,695 (2008 £8,695) is borne by Centrica plc.

Centrica Nigeria Limited

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

4 Tax on loss on ordinary activities

(a) Analysis of tax charge in the period

The tax charge comprises

	2009	2008
	£'000	£'000
Current tax:		
United Kingdom corporation tax at 28% (2008 28.5%)	-	-
Adjustments in respect of prior years	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

(b) Factors affecting the tax charge for the period

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

	2009	2008
	£'000	£'000
Loss on ordinary activities before tax	(42,797)	-
	<hr/>	<hr/>
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2008 28.5%)	(11,983)	-
Effects of		
Impairment not tax deductible	11,983	-
	<hr/>	<hr/>
Current tax charge for the year	-	-
	<hr/>	<hr/>

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

Centrica Nigeria Limited

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

5. Fixed asset investment

	2009	2008
Cost	£	£
As at 1 January	42,797	42,915
Exchange adjustment	-	(118)
Impaired during the year	(42,797)	-
As at 31 December	-	42,797

As at 31 December 2009, Centrica Resources (Nigeria) Limited (in which Centrica Nigeria Limited holds its investment) is in a net liability position. Centrica Resources (Nigeria) Limited intends to sell the licenses it holds in 2010 but will not gain enough proceeds to repay its inter-company loan from Centrica Beta Holdings Limited. Therefore the total fixed asset investment has been impaired in the Company's accounts in 2009.

6. Share capital

	2009	2008
	£	£
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

7. Reserves

	Profit and Loss account
	£
At 1 January 2009	-
Loss for the year	(42,797)
At 31 December 2009	(42,797)

8. Reconciliation of movements in shareholder funds

	2009	2008
	£	£
Shareholder funds as at 1 January	42,799	42,917
Loss for the financial year	(42,797)	-
Foreign exchange (losses)	-	(118)
Shareholder funds as at 31 December	2	42,799

9. Ultimate parent undertaking

Centrica Beta Holdings Limited, a company registered in England and Wales, is the immediate parent undertaking. Centrica plc, a company registered in England and Wales, is the ultimate parent undertaking and controlling party and is the largest and smallest group to consolidate the financial statements of Centrica Nigeria Limited. Copies of the financial statements of Centrica plc may be obtained from www.centrica.com