

Registration number: 05579645

# Centrica Nigeria Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017



## **Centrica Nigeria Limited**

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## **Centrica Nigeria Limited**

### **Strategic Report for the Year Ended 31 December 2017**

The Directors present their Strategic Report for Centrica Nigeria Limited (the 'Company') for the year ended 31 December 2017.

#### **Principal activities**

The principal activity of the Company is to act as an investment holding company. There was no activity in the Company during the current year.

#### **Review of the business**

The financial position of the Company is presented in the Statement of Financial Position on page 11. Total equity at 31 December 2017 was £2 (2016: £2).

#### **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 52-62 of the Group's Annual Report and Accounts 2017, which does not form part of this report.

#### **Exit from the European Union**

The UK referendum vote in June 2016 to leave the European Union has added to the risks and uncertainties faced by the Company. However, it is considered that the direct impact of these uncertainties on the Company is limited in the short-term. Many details of the implementation process continue to remain unclear. Extricating from the European Union treaties is a task of immense complexity but the Company is well-positioned to manage the possible market impacts. There are also potential tax consequences of the withdrawal and these will continue to be reassessed at each reporting date to ensure the tax provisions reflect the most likely outcome following the withdrawal.

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

The Directors of the Group use a number of KPIs to monitor progress against the Group's strategy. The development, performance and position of the Group, which includes the Company, are disclosed on pages 30-31 of the Group's Annual Report and Accounts 2017, which does not form part of this report.

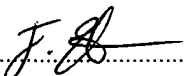
#### **Future developments**

The Company will continue to act as an investment holding company for the foreseeable future. The Group continues to implement the results of the 2015 strategic review. This implementation includes a review of how the Group's businesses are structured and may result in future changes to underlying subsidiary business operations including those of the Company.

**Centrica Nigeria Limited**

**Strategic Report for the Year Ended 31 December 2017 (continued)**

Approved by the Board on 30 AUGUST 2018 and signed by:

 ..... JILL ELLIOT

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

Company registered in England and Wales, No. 05579645

Registered office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

## **Centrica Nigeria Limited**

### **Directors' Report for the Year Ended 31 December 2017**

The Directors present their report and the audited financial statements for the year ended 31 December 2017.

#### **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:

NW Lumley (resigned 14 April 2017)

AD Le Poidevin (resigned 4 December 2017)

C Redcliffe

PMR Tanner (appointed 14 April 2017 and resigned 4 December 2017)

C Warnes (appointed 4 December 2017)

#### **Results and dividends**

The results of the Company are set out on page 9. The result for the financial year ended 31 December 2017 is £nil (2016: £nil). No dividends were paid during the year (2016: £nil) and the Directors do not recommend the payment of a final dividend (2016: £nil).

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

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 to counterparty credit risk and liquidity 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.

#### **Future developments**

Future developments are discussed in the Strategic Report on page 1.

#### **Going concern**

The financial statements have been prepared on a going concern basis as Centrica plc, the ultimate parent company, currently intends to support the Company to ensure it can meet its obligations as they fall due, provided the Company remains a member of the Group. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after the financial statements were authorised for issue.

#### **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.

#### **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.

## **Centrica Nigeria Limited**

### **Directors' Report for the Year Ended 31 December 2017 (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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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, including FRS 101, 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.

## **Centrica Nigeria Limited**

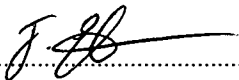
### **Directors' Report for the Year Ended 31 December 2017 (continued)**

#### **Auditors**

Following a rigorous selection process by the Audit Committee of Centrica plc, Deloitte LLP was selected as the Group's external auditor for the financial year commencing 1 January 2017. Consequently, PricewaterhouseCoopers LLP ('PwC') ceased to hold office as auditor of the Company in 2017. Pursuant to Section 519 of the Companies Act 2006, PwC has confirmed that there are no circumstances in connection with their ceasing to hold office that need to be brought to the attention of the members or creditors of the Company.

Following the resignation of PwC as auditors of the Company and, pursuant to Section 487 of the Companies Act 2006, Deloitte LLP were appointed as auditors of the Company.

Approved by the Board on ~~30 August 2018~~ and signed by:

 JILL ELLIOT

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

Company registered in England and Wales, No. 05579645

Registered office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

## **Centrica Nigeria Limited**

### **Independent Auditors' Report to the Members of Centrica Nigeria Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Centrica Nigeria Limited 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 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 (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 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 related to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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 Nigeria Limited**

### **Independent Auditors' Report to the Members of Centrica Nigeria Limited (continued)**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

#### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement, 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.

#### **Auditors' 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 auditors 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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.

#### **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.

## **Centrica Nigeria Limited**

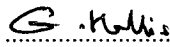
### **Independent Auditors' Report to the Members of Centrica Nigeria Limited (continued)**

#### **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.

.....

Graham Hollis ACA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP

Union Plaza  
1 Union Wynd  
Aberdeen  
AB10 1SL  
Scotland

Date: 30/8/18.....

## **Centrica Nigeria Limited**

### **Income Statement for the Year Ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Result before income tax	-	-
Income tax expense	-	-
Result for the year	-	-

The above results were derived from continuing operations.

## **Centrica Nigeria Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Result for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>-</u></u>	<u><u>-</u></u>

## Centrica Nigeria Limited

### Statement of Financial Position as at 31 December 2017

	Note	2017 £	2016 £
<b>Current assets</b>			
Trade and other receivables	7	<u>2</u>	<u>2</u>
<b>Total assets</b>		<u>2</u>	<u>2</u>
<b>Equity</b>			
Share capital	8	42,799	42,799
Retained earnings		<u>(42,797)</u>	<u>(42,797)</u>
<b>Total equity</b>		<u>2</u>	<u>2</u>

The financial statements on pages 9 to 16 were approved and authorised for issue by the Board of Directors on ~~30<sup>th</sup> AUGUST~~ and signed on its behalf by:



C Warnes

Director

Company number 05579645

## Centrica Nigeria Limited

### Statement of Changes in Equity for the Year Ended 31 December 2017

	<b>Called up share capital £</b>	<b>Accumulated losses £</b>	<b>Total equity £</b>
At 1 January 2017	<u>42,799</u>	<u>(42,797)</u>	<u>2</u>
Results and total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>42,799</u>	<u>(42,797)</u>	<u>2</u>

	<b>Called up share capital £</b>	<b>Accumulated losses £</b>	<b>Total equity £</b>
At 1 January 2016	<u>42,799</u>	<u>(42,797)</u>	<u>2</u>
Results and total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>42,799</u>	<u>(42,797)</u>	<u>2</u>

# **Centrica Nigeria Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

### **1 General information**

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales.

The registered office and principal place of business is:

Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 2.

### **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 International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is exempt from producing consolidated financial statements as it meets the requirements set out in the Companies Act 2006 section 400.

From 1 January 2017, the following amendments are effective in the Company's financial statements. Their first time adoption did not have a material impact on the financial statements:

- Amendments to IAS 12: 'Income taxes' related to the recognition of deferred tax assets for unrealised losses.

In these financial statements, 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.

#### **Measurement convention**

The financial statements have been prepared on the historical cost basis.

## **Centrica Nigeria Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The financial statements have been prepared using the going concern basis of accounting.

##### **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.

##### **Investments in subsidiaries**

Fixed asset investments in subsidiaries are held at deemed cost on transition to FRS 101 and in accordance with IAS 27, less any provision for impairment as necessary.

##### **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.

##### **a) Trade and other receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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 (although in practice the discounting is often immaterial) less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Company may not be able to collect the trade receivable. Balances are written off when recoverability is assessed as being remote. If collection is due in one year or less receivables are classified as current assets. If not they are presented as non-current assets.

##### **b) 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, which are described in note 2, the Directors may be required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and the associated assumptions would be based on historical experience or other factors that are considered to be relevant. Actual results may differ from these estimates. In the Directors' opinion there are no critical judgements or estimation uncertainties.



## Centrica Nigeria Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 4 Employees' costs

The emoluments of the Directors are not paid to them in their capacity as Directors of the Company and are payable for services wholly attributable to other Centrica plc subsidiary undertakings. Accordingly, no details in respect of their emoluments have been included in these Financial Statements.

No compensation was paid to Directors for loss of office (2016: nil).

The Company has no employees (2016: nil).

#### 5 Auditors' remuneration

The Company audit fee is paid by the ultimate parent undertaking, Centrica plc and is not recharged to the Company. An estimate of the fee attributable to the Company is:

	2017	2016
	£	£
Audit of the Financial Statements	7,000	13,360

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 Statements of its ultimate parent, Centrica plc.

#### 6 Investments

	2017	2016
Carrying value	£	£
As at 1 January and 31 December	-	-

The Company's investment relates to subsidiary Centrica Resources (Nigeria) Limited, for which the proportion of ownership interest and voting rights held is 100% (2016: 100%). The principal activity of the subsidiary is Oil and Gas exploration. However, the Company has no active interests in any oil and gas licenses. The class of shares held is ordinary and the country of incorporation is Nigeria. The registered address of the subsidiary is Centrica Resources (Nigeria) Limited, Sterling Towers, 20 Marina Street, Lagos.

#### 7 Trade and other receivables

	2017 Current	2016 Current
	£	£
Amounts owed by group undertakings	2	2

All amounts owed by group undertakings are current, interest free and repayable on demand

## Centrica Nigeria Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 8 Share capital

##### Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>42,799</u>	<u>42,799</u>	<u>42,799</u>	<u>42,799</u>

#### 9 Immediate and ultimate parent undertaking

The immediate parent undertaking is Spirit North Sea Gas Limited (formerly Centrica North Sea Gas Limited), a company registered in Scotland.

The ultimate parent and controlling party is Centrica plc, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated statements. Copies of the Centrica plc consolidated financial statements may be obtained from its registered office; Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.