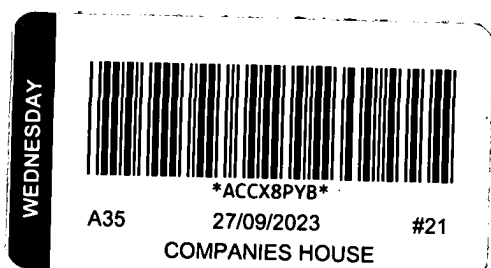


Registration number: 05579645

Centrica Nigeria Limited

Annual Report and Financial Statements

for the year ended 31 December 2022



Centrica Nigeria Limited

Contents

	Page(s)
Strategic Report	1 to 2
Director's Report	3 to 5
Statement of Director's Responsibilities	5
Independent Auditor's Report	6 to 9
Income Statement	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 18

Centrica Nigeria Limited

Strategic Report for the Year Ended 31 December 2022

The Directors presents their Strategic Report for Centrica Nigeria Limited (the 'Company') for the year ended 31 December 2022.

Principal activities

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

Review of the business

The Company reported a profit for the financial year of £nil (2021: £nil). There was no activity in the Company during the current year.

Financial position

The financial position of the Company is presented in the Statement of Financial Position on page 11. Total equity at 31 December 2022 was £nil (2021: £nil).

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 28-33 of the Group's Annual Report and Accounts 2022, which does not form part of this report.

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.

Key performance indicators ('KPIs')

The Directors believes that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business as a holding company.

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 3.

Future developments

The Directors envisages the Company continuing to operate as a holding company for the foreseeable future.

Centrica Nigeria Limited

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

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.

Approved by the Board on 18 September 2023 and signed on its behalf by:



Samantha Hood

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
United Kingdom
SL4 5GD

Centrica Nigeria Limited

Director's Report for the Year Ended 31 December 2022

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

Directors

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 28 December 2022)
M Blake	(Appointed 28 December 2022)
A Z Fink	(Appointed 28 December 2022)

Results and dividends

The results of the Company are set out on page 10. The profit for the financial year ended 31 December 2022 is £nil (2021: £nil).

No dividends were paid during the year and the Directors do not recommend the payment of a final dividend (2021: £nil).

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 liquidity risk and cash flow risk

Exposure to 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.

Future developments

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

Strategic report

The Directors have chosen in accordance with Section 414C (11) of the Act to include in the Strategic Report matters otherwise required to be disclosed in the Director's Report as the Directors considers these are of strategic importance to the Company.

Centrica Nigeria Limited

Director's 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.

Director's and officer's liability

Director's and officer's 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 auditor

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.

Auditor

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 Nigeria Limited

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

Statement of Director's Responsibilities

The Directors are responsible for preparing the Strategic Report, Director's 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.

Approved by the Board on 18 September 2023 and signed on its behalf by:



Samantha Hood

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
United Kingdom
SL4 5GD

Centrica Nigeria Limited

Independent Auditor's Report to the Member of Centrica Nigeria Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Centrica Nigeria 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 result 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 Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 8.

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 Nigeria Limited

Independent auditor's report to the member of Centrica Nigeria Limited (continued)

Other information (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 Director's 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 determines 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 intends to liquidate the Company or to cease operations, or has 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 their 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 the 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 frameworks 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 2006 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 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 Nigeria Limited

Independent auditor's report to the member of Centrica Nigeria Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (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 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's 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 Director's 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 Director's 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 Nigeria Limited

Independent auditor's report to the member of Centrica Nigeria 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 FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom
18 September 2023

Centrica Nigeria Limited

Income Statement for the Year Ended 31 December 2022

	2022 £	2021 £
Profit before tax	-	-
Tax credit/(expense)	-	-
Profit for the year	-	-

The above results were derived from continuing operations.

A Statement of Comprehensive Income is not presented as there is no other comprehensive income other than the result for each financial year.

The notes on pages 13 to 18 form an integral part of these financial statements.

Centrica Nigeria Limited

Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
Non-current assets			
Investments	6	-	-
Total assets		-	-
Net current assets		-	-
Total assets less current liabilities		-	-
Total liabilities		-	-
Net assets		-	-
Equity			
Share capital	7	42,799	42,799
Retained losses	7	(42,799)	(42,799)
Total equity		-	-

The financial statements on pages 10 to 18 were approved and authorised for issue by the Board of Directors on 18 September 2023 and were signed on its behalf by:



Alon Fink
Director

The Company's Registered number is 05579645

The notes on pages 13 to 18 form an integral part of these financial statements.

Centrica Nigeria Limited

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

	Called up share capital £	Retained losses £	Total equity £
At 1 January 2022	42,799	(42,799)	-
Result for the year	-	-	-
At 31 December 2022	42,799	(42,799)	-

	Called up share capital £	Retained losses £	Total equity £
At 1 January 2021	42,799	(42,799)	-
Result for the year	-	-	-
At 31 December 2021	42,799	(42,799)	-

The notes on pages 13 to 18 form an integral part of these financial statements.

Centrica Nigeria Limited

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

1 General information

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

The registered office and principal place of business is:

Millstream
Maidenhead Road
Windsor
Berkshire
United Kingdom
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's 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 as issued by the IASB and in conformity with the requirements of the Companies Act 2006.

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

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.

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 Nigeria 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;
- 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;
- 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 pounds sterling, (with all values rounded to the nearest thousand pounds £ 000's except where otherwise indicated) which is also the functional currency of the Company.

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 Nigeria Limited

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

2 Accounting policies (continued)

Going concern (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.

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.

Dividend income

The dividend income is recognised when the right to receive payment is established.

Dividends

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

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.

Centrica Nigeria Limited

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

2 Accounting policies (continued)

Impairment of non-financial assets

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 post-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). For net realisable value calculations, the cash flows are discounted at a post-tax rate of 10.0% (2021: 10.0%).

Recoverable amount calculations use cashflow projections based on the subsidiary's business plans. The Company's subsidiary is dormant and no further cashflows are expected to be received by the Company.

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 the Income Statement. 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.

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.

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.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Director is 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 Director's opinion there are no critical judgements or estimation uncertainties.

Centrica Nigeria Limited

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

4 Director's emoluments and employees' costs

The Company had no employees (2021: nil) and no staff costs (2021: nil).

The Directors were remunerated as employees of Centrica plc Group and did not receive any remuneration, from any source, for their services as Directors of the Company during the current or preceding financial year. Accordingly, no details in respect of their emoluments have therefore been included in these financial statements.

5 Auditor's 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:

	2022	2021
	£	£
Audit fees	9,169	7,210

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

	2022	2021
	£	£
Subsidiary		
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% (2021: 100%). The principal activity of the subsidiary is Oil and Gas exploration. However, Centrica Resources (Nigeria) Limited has no active interests in any oil and gas licenses and was declared dormant in August 2018. 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, Nigeria.

7 Share capital

Allotted, called up, authorised and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary shares of £1 each	42,799	42,799	42,799	42,799

Share capital

The Ordinary shares have the rights and restrictions as set out in the Articles of Association of the Company.

Retained Losses

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

Centrica Nigeria Limited

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

8 Immediate and ultimate parent undertaking

The immediate parent undertaking is Centrica Beta Holdings Limited, 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.

The registered address of Centrica plc is Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD.