

CENTRICA HOLDINGS LIMITED

**Annual Report and Financial Statements
For the year ended 31 December 2009**

WEDNESDAY



LN5PWKWE

LD6

16/06/2010

86

COMPANIES HOUSE

CENTRICA HOLDINGS LIMITED

	Page
Directors' report for the year ended 31 December 2009	1
Independent auditors' report to the member of Centrica Holdings Limited	3
Profit and loss account for the year ended 31 December 2009	4
Balance sheet as at 31 December 2009	5
Notes to the financial statements for the year ended 31 December 2009	6

CENTRICA HOLDINGS LIMITED

Directors' report for the year ended 31 December 2009

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

Principal activities

The principal activity of the Company is to act as a holding company for the Centrica group (the "Group")

Review of business and future developments

The financial position of the Company is presented in the balance sheet on page 5. Shareholders' funds at 31 December 2009 were £4,697,320,000 (2008 £4,731,343,000)

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 23 December 2009 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.

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

Results and dividends

The loss on ordinary activities after taxation for the year ended 31 December 2009 is £34,023,000 (2008 loss £123,180,000). The Directors do not recommend the payment of a final dividend (2008 £nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties for the Group, which include those of the Company, are discussed on pages 31-34 of the Group's 2009 Annual Report and Accounts which does not form part of this report. Copies of the Annual Report of Centrica plc may be obtained from www.centrica.com.

Key performance indicators ("KPIs")

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

Directors

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

I G Dawson

N L Luff

Political and charitable donations

The Company made no political or charitable donations during the year (2008 £nil).

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.

Risk management

Details of the Group's financial risk management policy is set out on pages 74-79 of the Group's 2009 Annual Report and Accounts.

Group Treasury also seeks to limit counter-party risk by conducting most of its banking and dealing activities with a limited number of major international banks, where status is kept under review.

CENTRICA HOLDINGS LIMITED

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

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.

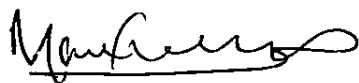
Disclosure of information to auditors

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 the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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 10 June 2010



For and on behalf of Centrica Secretaries Limited
Company Secretary
10 June 2010

Company registered in England and Wales, Registered number 5625463
Registered office
Millstream
Maidenhead Road
Windsor
Berkshire SL4 5GD

CENTRICA HOLDINGS LIMITED

Independent auditors' report to the member of Centrica Holdings Limited

We have audited the financial statements of Centrica Holdings Limited for the year ended 31 December 2009, which comprise the Profit and Loss Account, the Balance Sheet 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 opinions, has been prepared for and only for the Company's member 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 information and explanations we require for our audit.

John Dashwood (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium,
1 Harefield Road,
Uxbridge
UB8 1EX
10 June 2010

CENTRICA HOLDINGS LIMITED

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Interest payable and similar charges	4	(34,023)	(123,180)
Loss on ordinary activities before taxation		(34,023)	(123,180)
Taxation on loss on ordinary activities	5	-	-
Loss for the financial year	9	(34,023)	(123,180)

All amounts relate to continuing operations

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and its historic cost equivalents

There are no recognised gains or losses other than those included in the results above, and accordingly no separate statement of total recognised gains and losses has been presented

A reconciliation of movements in shareholders' funds is shown in note 10

The notes on pages 6 to 10 form part of these financial statements

CENTRICA HOLDINGS LIMITED

Balance sheet as at 31 December 2009

	Notes	2009 £000	2008 £000
FIXED ASSETS			
Investments in subsidiaries	6	7,000,000	7,000,000
		<u>7,000,000</u>	<u>7,000,000</u>
CURRENT ASSETS			
Creditors (amounts falling due within one year)	7	(2,302,680)	(2,268,657)
NET CURRENT LIABILITIES		<u>(2,302,680)</u>	<u>(2,268,657)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,697,320	4,731,343
NET ASSETS		<u>4,697,320</u>	<u>4,731,343</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss reserve	9	4,697,320	4,731,343
TOTAL SHAREHOLDERS' FUNDS	10	<u>4,697,320</u>	<u>4,731,343</u>

The financial statements on pages 4 to 10 were approved and authorised for issue by the Board of Directors on 10 June 2010 and were signed on its behalf by



N Luff
Director

The notes on pages 6 to 10 form part of these financial statements
Registered number 5625463

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

1 PRINCIPAL ACCOUNTING POLICIES

Accounting principles

The financial statements have been prepared in accordance with applicable UK accounting standards, consistently applied, and under the historical cost convention and the Companies Act 2006

Basis of preparation

The Directors believe that the going concern basis is applicable for the preparation of the accounts as the ultimate parent company, Centrica plc, has confirmed its present intention to provide financial support such that the Company is able to repay its liabilities as they fall due. In particular the amounts owed to Group undertakings will not be required to be repaid for the foreseeable future.

Exemptions

The Company is a wholly-owned subsidiary undertaking of Centrica plc and is included in the consolidated financial statements of Centrica plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 the Companies Act 2006.

The Company has also taken advantage of the exemptions within Financial Reporting Standard No 1 (Revised) "Cash Flow Statements" from presenting a cash flow statement, and within Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other Group companies.

Investments in subsidiary undertakings

Investments in subsidiary undertakings 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.

Interest

Interest is accounted for on an accruals basis. Interest receivable from other Group companies registered overseas is presented inclusive of any overseas withholding tax.

Financial instruments

Share capital Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received.

Interest bearing debt and loans All interest bearing debt and loans are initially stated at the amount of the net proceeds for debt and costs for loans. After initial recognition, the carrying amounts of interest bearing loan receivables and payables are increased by the finance income and finance costs respectively. The carrying amounts are reduced by the payment or repayment of amounts owing under loan receivables and payables respectively.

The Company is exempted by FRS 29 from providing detailed disclosures in respect of its financial instruments because it does not apply FRS 26.

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. Taxable profits or losses are subject to group relief without payment.

CENTRICA HOLDINGS LIMITED

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

2. DIRECTORS AND EMPLOYEES

The Directors received no emoluments during the year ended 31 December 2009 (2008 £nil) in respect of their services to the Company. There were no employees during the year (2008 nil).

3. AUDITORS' REMUNERATION

Auditors' remuneration totalling £6,428 (2008 £6,428) relates to fees for the audit of the UK GAAP statutory accounts of the Company 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 the Company. The auditors' remuneration of £6,428 is borne by Centrica plc.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £000	2008 £000
Interest payable to Group undertakings	(34,023)	(123,180)

5. TAXATION ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the period	2009 £	2008 £
--	-----------	-----------

The tax charge comprises

Current tax:

United Kingdom corporation tax at 28% (2008 28.5%)

Total current tax

-	-
-	-

(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 is as follows

	2009 £	2008 £
Loss on ordinary activities before tax	(34,023)	(123,180)
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2008 28.5%)	(9,526)	(35,106)
Effects of		
Group relief for nil consideration	10,945	38,714
UK UK transfer pricing adjustment	(1,419)	(3,608)
Tax charge for the period	-	-

No deferred taxation arises in this period (2008 £nil)

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 HOLDINGS LIMITED

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

6. INVESTMENTS IN SUBSIDIARIES

	2009 £000
Cost	
1 January 2009	7,000,000
31 December 2009	7,000,000

As at 31 December 2009 the Company had interests in the following principal undertakings. This information is given pursuant to Section 410(2) Companies Act 2006. The information is only given for those subsidiaries which, in the Directors' opinion, principally affect the figures shown in the financial statements.

Principal subsidiary undertakings	Business	Country of incorporation	Direct investment in ordinary shares (%)	Indirect interest in ordinary shares (%)
GB Gas Holdings Limited	Holding company	England	100	
Accord Energy Limited	Wholesale energy trading	England		100
Accord Energy (Trading) Limited	Wholesale energy trading	England		100
British Gas Insurance Limited	Insurance provision	England		100
British Gas Services Limited	Servicing and installation of gas heating systems	England		100
British Gas Trading Limited	Energy supply	England		100
Caythorpe Gas Storage Limited	Gas storage	England		100
Centrica Barry Limited	Power generation	England		100
Centrica Brigg Limited	Power generation	England		100
Centrica Canada Limited	Holding company and gas production	Canada		100
Centrica Energy Operations Limited	Power generation	England		100
Centrica KL Limited	Power generation	England		100
Centrica KPS Limited	Power generation	England		100
Centrica Langage Limited	Power generation	England		100
Centrica Overseas Holdings Limited	Holding company	England		100
Centrica PB Ltd	Power generation	England		100
Centrica Renewable Energy Limited	Renewable energy holding company	England		100
Centrica Resources Limited	Gas and oil production	England		100
Centrica Resources (Nigeria) Limited	Upstream exploration	Nigeria		100
Centrica Resources (Norge) AS	Upstream exploration	Norway		100
Centrica RPS Limited	Power generation	England		100
Centrica SHB Limited	Power generation	England		100
Centrica Storage Limited	Gas storage	England		100
DER Partnership 2	Gas production	Canada		100
Direct Energy Marketing Limited	Energy supply and home services	Canada		100
Direct Energy Partnership	Energy supply	Canada		100
Direct Energy Resources Partnership	Gas production	Canada		100
Dyno Holdings Limited	Home services	England		100
The Centrica Gas Production LP	Gas production	England		100
Hydrocarbon Resources Limited	Gas production	England		100
Oxxio NV	Energy supply	Netherlands		100
Venture North Sea Gas Exploration Limited	Gas and oil production	England		100
Venture North Sea Oil Limited	Gas and oil production	Scotland		100
Venture Production plc	Holding company	Scotland		100
Barrow Offshore Wind Limited	Power generation	England		50

CENTRICA HOLDINGS LIMITED

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

6. INVESTMENTS IN SUBSIDIARIES (continued)

Principal subsidiary undertakings	Business	Country of incorporation	Direct investment in ordinary shares (%)	Indirect interest in ordinary shares (%)
Braes of Doune Wind Farm (Scotland) Limited	Power generation	Scotland		50
GLID Wind Farms TopCo Limited	Renewable energy holding company	England		50
Secure Electrans Limited	Energy technology	England	22	
Lake Acquisitions Limited	Power generation	England	20	
NNB Holding Company Limited	Holding company	England	20	

7. CREDITORS

	2009 £000	2008 £000
Amounts falling due within one year		
Amounts owed to Group undertakings	2,302,680	2,268,658
	<u>2,302,680</u>	<u>2,268,658</u>

Amounts due to Group undertakings include two loans with outstanding principal of £617,000,000 and £1,350,000,000. These two loans are unsecured and repayable on demand, the former amount being repayable in any event in 2012. Interest on these loans accrues at the three month LIBOR rate plus 20 basis points. Interest is reset quarterly and charged in arrears on the first day of each quarter. Of the remainder £332,002,000 (2008: £269,519,000) relates to an unsecured, interest free loan. The remaining balance of £3,678,000 (2008: £32,139,000) relates to accrued interest.

8. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised share capital:		
nil ordinary shares of £1 each (2008: 2)	<u>-</u>	<u>2</u>
Issued, allotted and unpaid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

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 23 December 2009 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.

CENTRICA HOLDINGS LIMITED

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

9 RECONCILIATION OF MOVEMENT IN RESERVES

	Profit and loss reserve £000
As at 1 January 2009	4,731,343
Loss for the financial year	(34,023)
As at 31 December 2009	4,697,320

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £000	2008 £000
Retained loss for the financial year	(34,023)	(123,180)
Net reductions to shareholders' funds	(34,023)	(123,180)
Opening shareholders' funds	4,731,343	4,854,523
Closing shareholders' funds	4,697,320	4,731,343

11. POST BALANCE SHEET EVENTS

On 5 February 2010 50% of the issued share capital of Centrica (Lincs) Limited was sold by a subsidiary to Dong Wind (UK) Limited and Siemens Project Ventures GmbH for £50million. The subsidiary has retained 50% of the issued share capital of Lincs and the investment in Lincs is accounted for as a joint venture from this date due to the project control that arises from this transaction.

On 12 February 2010 a subsidiary redeemed £250 million of debt with a maturity date of 12 December 2011.

12. ULTIMATE PARENT UNDERTAKING

Centrica plc, a company registered in England and Wales, is the immediate and ultimate parent undertaking and the only company to consolidate the financial statements of the Company. Copies of the Annual Report of Centrica plc may be obtained from www.centrica.com.