

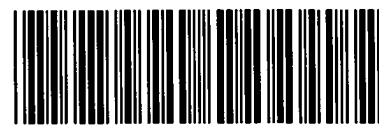
Registration number: 06474145

# P.H Jones Group Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

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## **P.H Jones Group Limited**

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## **P.H Jones Group Limited**

### **Strategic Report for the Year Ended 31 December 2022**

The Directors present their Strategic Report for P.H Jones Group Limited (the 'Company') for the year ended 31 December 2022.

#### **Principal activity**

The principal activity of the Company is that of a non-trading holding company for its subsidiary, British Gas Social Housing Limited.

#### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

#### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (d) as described below.

##### **(a) The likely consequences of any decision in the long term**

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

##### **(b) The impact of the company's operations on the community and the environment**

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group.

##### **(c) The desirability of the company maintaining a reputation for high standards of business conduct**

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

## **P.H Jones Group Limited**

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

(d) The need to act fairly as between members of the company

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

Further information about how the Centrica Group engages with, and considered the interests of, different key stakeholders can be found on pages 12 to 13, 37 to 38 and 66 to 71 of Centrica plc's Annual Report and Accounts 2022.

#### **Culture**

The Company's culture is set by the Group and embedded in all we do. Further information on the Group's culture can be found on pages 7, 37, 44 to 45, 56 to 59, 67 and 71 of Centrica plc's Annual Report and Accounts 2022.

#### **Stakeholder Engagement**

As is normal for large companies, the Directors delegate authority for day to day management of the Company to executives engaged in setting, approving and overseeing execution of the business strategy and related policies of the Group. While there may be cases where the Directors judge that the Company should engage directly with certain stakeholder groups or on specific issues, the size and spread of both our stakeholders and the Group means that generally, stakeholder engagement best takes place at an operational or Group level. The Directors consider that as well as being a more efficient and effective approach, this also helps achieve a greater positive impact on environmental, social and other issues than working alone as an individual company. A description of how the Group engages with its stakeholders is set out on pages 12 to 13, 37 to 38 and 66 to 71 of Centrica plc's Annual Report and Accounts 2022.

#### **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.

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

During the year, the Company continued its activity as a holding company for its subsidiary British Gas Social Housing Limited. The Company previously held investments in P.H. Jones Facilities Management Ltd and Soren Ltd but these companies were both dissolved on 1 November 2022. This resulted in the write-off of £2,729,000 worth of investments in subsidiaries (as per note 9). Net assets were £26,108,000 at 31 December 2022 (2021: £28,837,000).

#### **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.

## **P.H Jones Group Limited**

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

#### **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 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 4.

#### **Future developments**

The Company will continue to act as a holding company.

Approved by the Board on .....<sup>25/07/2023</sup> and signed on its behalf by:



Ruth Odih

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

Company registered in England and Wales, No. 06474145

Registered office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD  
United Kingdom

## **P.H Jones Group Limited**

### **Directors' Report for the Year Ended 31 December 2022**

The Directors present their annual report on the affairs of P.H Jones Group Limited ('the Company') together with the financial statements and auditors' report, for the year ended 31 December 2022.

#### **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:

R Roy

S D Phillips (resigned 1 December 2022)

J Siber (appointed 1 December 2022)

The following director was appointed after the year end:

R Fletcher (appointed 11 July 2023)

#### **Results and dividends**

The results of the Company are set out on page 11. The loss for the financial year ended 31 December 2022 is £2,729,000 (2021: profit £nil).

The Company did not pay an interim dividend during the year (2021: £nil) and does not recommend the payment of a final dividend (2021: £nil).

#### **Financial risk management policy**

Authority is delegated to management to establish 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 price risk, credit risk, liquidity risk and cash flow risk**

Exposure to price risk, counterparty credit risk, 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. Credit risk is managed through the Group continually reviewing its rating thresholds for relevant counterparty credit limits and updating these as necessary, based on a consistent set of principles. Price risks are managed through using a range of derivatives to hedge any exposures arising.

#### **Future developments**

Future developments are discussed in the Strategic Report on page 3.

## **P.H Jones Group Limited**

### **Directors' 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.

#### **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.

#### **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 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:

## **P.H Jones Group Limited**

### **Directors' Report for the Year Ended 31 December 2022 (continued)**

- 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.

#### **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. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### **Auditors**

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.

Approved by the Board on 25/07/2023 and signed on its behalf by:



Ruth Odih

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

Company registered in England and Wales, No. 06474145

Registered office:

Millstream

Maidenhead Road

Windsor

Berkshire

SL4 5GD

United Kingdom



## **P.H Jones Group Limited**

### **Independent Auditors' Report to the Members of P.H Jones Group Limited**

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

##### **Opinion**

In our opinion the financial statements of P.H Jones Group 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 loss 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 13.

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.

## **P.H Jones Group Limited**

### **Independent Auditors' Report to the Members of P.H Jones Group Limited (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 Directors' 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 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.

#### **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](http://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 the 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 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 framework 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 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 such as IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

## **P.H Jones Group Limited**

### **Independent Auditors' Report to the Members of P.H Jones Group Limited (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 and in-house legal counsel 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 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.

#### **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.

#### **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.

**P.H Jones Group Limited**

**Independent Auditors' Report to the Members of P.H Jones Group Limited  
(continued)**

D. Winstone

Daryl Winstone (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

United Kingdom

Date: 25/7/23

## **P.H Jones Group Limited**

### **Income Statement for the Year Ended 31 December 2022**

	<b>Note</b>	<b>2022 £ 000</b>	<b>2021 £ 000</b>
Non operating expense	5	<u>(2,729)</u>	<u>-</u>
Non operating loss		<u>(2,729)</u>	<u>-</u>
Loss before taxation		(2,729)	-
Taxation on loss	8	<u>-</u>	<u>-</u>
Loss for the year from continuing operations		<u><u>(2,729)</u></u>	<u><u>-</u></u>

The above results were derived from continuing operations.

There were no recognised gains and losses in either period and accordingly no separate Statement of Comprehensive Income has been included in the Financial Statements.

## P.H Jones Group Limited

### Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
<b>Non-current assets</b>			
Investments	9	5,796	5,797
<b>Current assets</b>			
Trade and other receivables	10	<u>27,272</u>	<u>30,000</u>
<b>Total assets</b>		<u>33,068</u>	<u>35,797</u>
<b>Current liabilities</b>			
Trade and other payables	11	<u>(6,960)</u>	<u>(6,960)</u>
<b>Net current assets</b>		<u>20,312</u>	<u>23,040</u>
<b>Total assets less current liabilities</b>		<u>26,108</u>	<u>28,837</u>
<b>Net assets</b>		<u>26,108</u>	<u>28,837</u>
<b>Equity</b>			
Share capital	12	-	-
Share premium		6,165	6,165
Retained earnings		<u>19,943</u>	<u>22,672</u>
<b>Total equity</b>		<u>26,108</u>	<u>28,837</u>

The financial statements on pages 11 to 23 were approved and authorised for issue by the Board of Directors on 25/07/2023 and signed on its behalf by:



R Fletcher  
Director

Company number 06474145

## **P.H Jones Group Limited**

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

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2022	-	6,165	22,672	28,837
Loss for the year	-	-	(2,729)	(2,729)
Total comprehensive expense	-	-	(2,729)	(2,729)
At 31 December 2022	-	6,165	19,943	26,108

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2021	-	6,165	22,672	28,837
At 31 December 2021	-	6,165	22,672	28,837

The notes on pages 14 to 23 form an integral part of these financial statements.

## **P.H Jones Group Limited**

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

#### **1 General information**

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

The address of its 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 3.

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

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

##### **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.

##### **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;
- 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;



## **P.H Jones Group Limited**

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

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

- 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; and
- certain disclosures required by IFRS 3 'Business Combinations' in respect of business combinations undertaken by the Company

#### **Measurement convention**

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

#### **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.

#### **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.

## **P.H Jones Group Limited**

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

#### **2 Accounting policies (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.

#### **Finance costs**

Interest expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Where a specific financing arrangement is in place, the specific borrowing rate for that arrangement is applied. For non-specific financing arrangements, a borrowing rate representative of the weighted average borrowing rate is used. Financing costs not arising in connection with the acquisition, construction or production of a qualifying asset are expensed.

#### **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 substantively enacted by the reporting date. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in equity. In this case, the tax is recognised in equity.

## **P.H Jones Group Limited**

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

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

Deferred tax is recognised in respect of all temporary differences identified at the reporting date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if impairment of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that the deductible temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement using tax rates that have been enacted or substantively enacted at the reporting date.

#### **Investments in subsidiaries**

Fixed asset investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

#### **Impairment**

The carrying amounts of the Company's non-financial assets, other than, 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. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

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 pre-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). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs.

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 profit or loss. An impairment loss in respect of goodwill shall not be reversed in a subsequent period. 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.

## **P.H Jones Group Limited**

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

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

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.

In accordance with IFRS 9, the Company applies the expected credit loss model to financial assets measured at amortised cost and to investments in debt instruments measured at fair value through other comprehensive income.

For trade receivables and contract assets the simplified approach is taken and the lifetime expected credit loss provided for.

For all other in-scope financial assets at the balance sheet date either the lifetime expected credit loss or a 12-month expected credit loss is provided for, depending on the Company's assessment of whether the credit risk associated with the specific asset has increased significantly since initial recognition.

#### **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.

#### **- Trade and other receivables**

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 less an allowance for expected credit losses.

#### **- Trade and other payables**

Trade payables 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 discount is often immaterial). If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

#### **- 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.

#### **- Loans and other borrowings**

All interest-bearing and interest-free loans and other borrowings are initially recognised at fair value net of directly attributable transaction costs. After initial recognition, these financial instruments are measured at amortised cost using the effective interest method, except when they are the hedged item in an effective fair value hedge relationship where the carrying value is also adjusted to reflect the fair value movements associated with the hedged risks. Such fair value movements are recognised in the Company's Income Statement. Amortised cost is calculated by taking into account any issue costs, discount or premium, when applicable.

## **P.H Jones Group Limited**

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

#### **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 are 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 the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In the Directors' opinion there are no critical judgements, apart from those involving estimations (which are dealt with separately below).

##### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### **Recoverability of amounts owed by Group undertakings**

The Company undertakes an annual review process of its receivables from group undertakings for indicators of impairment and tests for impairment where such an indicator arises, including expected credit losses.

The Company does not deem its investments in subsidiaries and related receivables to be impaired and supports this judgement through its impairment review process as detailed above.

#### **4 Employee costs**

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

#### **5 Non operating expense**

The following item was recognised in arriving at the non operating loss for the reporting year:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Non operating expense	<u>(2,729)</u>	<u>-</u>

The Company previously held investments in P.H. Jones Facilities Management Ltd and Soren Ltd but these companies were both dissolved on 1 November 2022. This resulted in the write-off of £2,729,000 worth of investments in subsidiaries (as per note 9).

#### **6 Directors' remuneration**

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.

## P.H Jones Group Limited

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

#### 7 Auditors' remuneration

Auditors' remuneration totalling £7,500 for the year (2021: £7,000) relates to fees for the audit of the financial statements of P.H Jones Group Limited. The auditors' remuneration is borne by Centrica plc.

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 accounts of its ultimate parent, Centrica plc.

#### 8 Income tax

Tax charged/(credited) in the Income Statement

	2022 £ 000	2021 £ 000
Total current income tax	-	-
Taxation on profit	-	-

The UK rate of corporation tax for the year ended 31 December 2022 was 19% (2021: 19%). The rate of corporation tax has increased to 25% with effect from 1 April 2023. As at 31 December 2022 the deferred tax balances included in these Financial Statements are based on the enacted rate of corporation tax having regard to their reversal profiles.

The differences between the taxes shown above and the amounts calculated by applying the standard rate of UK corporation tax to the profit before tax are reconciled below:

	2022 £ 000	2021 £ 000
Loss before tax	(2,729)	-
Tax on loss at standard UK corporation tax rate of 19% (2021: 19%)	519	-
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	(519)	-
Increase (decrease) arising from group relief tax reconciliation	57	161
Increase (decrease) from transfer pricing adjustments	(57)	(161)
Total tax credit/(charge)	-	-

## P.H Jones Group Limited

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

#### 9 Investments

	Shares in Group undertakings (subsidiaries) £ 000
<b>Subsidiaries</b>	
<b>Cost or valuation</b>	
At 31 December 2022 and 31 December 2021	6,080
Additions	2,728
Disposals	(2,729)
<b>Provision</b>	
At 31 December 2022 and 31 December 2021	(283)
<b>Net book value</b>	
At 31 December 2022	5,796
At 31 December 2021	5,797

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
British Gas Social Housing Limited	Servicing and repair of heating installations	England and Wales	Ordinary	100%	100%

British Gas Social Housing Limited is registered at Millstream, Maidenhead Road, Windsor, Berkshire, United Kingdom SL4 5GD.

The Company previously held investments in P.H. Jones Facilities Management Ltd and Soren Ltd but these companies were both dissolved on 1 November 2022. Prior to the dissolution, the intercompany debt held was recovered through issue of shares of £2,728,000, as shown in note 10, which when combined with the original cost of investment of £1,000 resulted in a total loss on disposal of £2,729,000, as detailed in note 5.

## P.H Jones Group Limited

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

#### 10 Trade and other receivables

	2022		2021	
	Current £ 000	Non-current £ 000	Current £ 000	Non-current £ 000
Amounts owed by Group undertakings	<u>27,272</u>	<u>-</u>	<u>30,000</u>	<u>-</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

The amounts owed by Group undertakings have been presented on a net basis as there is a legal right of offset, and the intent is to settle amounts on a net basis.

The Company previously held investments in P.H. Jones Facilities Management Ltd and Soren Ltd but these companies were both dissolved on 1 November 2022. The intercompany debt was recovered through issue of shares of £2,728,000, as shown in note 9, prior to the dissolution.

#### 11 Trade and other payables

	2022	2021
	Current £ 000	Current £ 000
Amounts owed to Group undertakings	<u>6,960</u>	<u>6,960</u>

Amounts owed to Group undertakings are interest free, unsecured and repayable on demand.

The amounts owed to Group undertakings have been presented on a net basis as there is a legal right of offset, and the intent is to settle amounts on a net basis.

#### 12 Capital and reserves

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

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>10,413</u>	<u>104</u>	<u>10,413</u>	<u>104</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

##### Share premium

Consideration transferred in excess of the nominal value of ordinary shares is allocated to share premium.

##### Retained earnings

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



## **P.H Jones Group Limited**

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

#### **13 Parent and ultimate parent undertaking**

The immediate parent undertaking is British Gas New Heating 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](http://www.centrica.com).

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