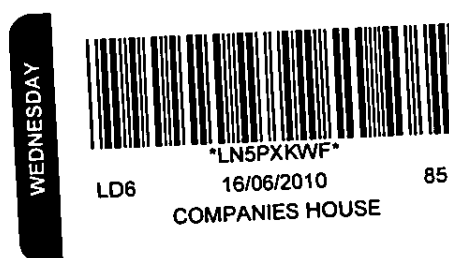


CENTRICA FINANCE INVESTMENTS LIMITED

Annual Report and Financial Statements
For the period from 20 January 2009 to 31 December 2009



CENTRICA FINANCE INVESTMENTS LIMITED

	Page
Directors' report for the period ended 31 December 2009	1
Independent auditors' report to the member of Centrica Finance Investments Limited	4
Profit and loss account for the period ended 31 December 2009	5
Balance sheet as at 31 December 2009	6
Notes to the financial statements for the period ended 31 December 2009	7

CENTRICA FINANCE INVESTMENTS LIMITED

Directors' report for the period ended 31 December 2009

The Directors present their report and the audited financial statements of Centrica Finance Investments Limited (the "Company") for the period since incorporation on 20 January 2009 to 31 December 2009

Principal activities

The principal activity of the Company is to act as an investment holding company for the Centrica plc Group (the "Group")

Review of business and future developments

The financial position of the Company is presented in the balance sheet on page 6 Shareholders' funds at 31 December 2009 were £2,000,000

On 8 February 2009 the Company approved a pre-defined structure offered by ING Bank NV to provide enhanced liquidity for the Company and its ultimate parent, Centrica plc

(a) Key terms of the arrangement

On 12 February 2009, as part of the structure, GB Gas Holdings Limited, the immediate parent of the Company, borrowed £316,500,000 from Nessermlen Finance BV, an indirect subsidiary of Centrica plc, by way of two individual loan agreements of £250,000,000 and £66,500,000, both of which are interest bearing

Also on 12 February 2009, the Company purchased 1,000 preference shares of Euro 1 each and 18,000 ordinary A shares of Euro 1 each, in Nessermlen Finance BV, for a cash consideration of £250,000,000 and £66,500,000 respectively. On the same day, the Company transferred its entire interest in the preference shares to ING Bank BV in exchange for 100 depository receipts. The depository receipts entitle the Company to the entire economic interest in the preference shares of Nessermlen Finance BV, representing the subscription price of the shares plus any declared preference dividends and carry the voting rights in relation to those shares

The Company granted a call option over the depository receipts to Centrica Finance (UK) Limited, an indirect subsidiary of Centrica plc, and also entered into a put and call option with ING Bank NV over the ordinary A shares. Exercise of the put option over the ordinary A shares by the Company is subject to the occurrence of an event or events that are outside the control of the Company. The fair value of the options as at 31 December 2009 is nil

(b) Post balance sheet event

On 12 February 2010, the Company exercised its put option over the ordinary A shares in Nessermlen Finance BV. Centrica Finance (UK) Limited exercised its call option with respect to the depository receipts held in Nessermlen Finance BV. Therefore, the Company sold its interest in the ordinary A shares of Nessermlen Finance BV to ING Bank NV for a cash consideration of £66,532,000 and the depository receipts to Centrica Finance (UK) Limited for a cash consideration of £257,569,000. The underlying loans from Nessermlen Finance BV were repaid by GB Gas Holdings Limited on the same day.

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

(c) Other aspects of the arrangement

As part of the arrangement, two additional options were granted to the Company. The fair value of both options as at 31 December 2009 is nil and both options lapsed unexercised on 12 February 2010. The details of the options are as follows

- The Company was granted a call option by ING Bank NV over the ordinary B shares in Nessermlen Finance BV. The exercise price calculation is impacted by changes in the rate of corporation tax in the Netherlands
- The Company was granted a put option by ING Bank NV over the depository receipts, with the exercise price being equal to the higher of £250 million and the fair value of the depository receipts as at the date of exercise

CENTRICA FINANCE INVESTMENTS LIMITED

Directors' report for the period ended 31 December 2009 (continued)

Review of business and future developments (continued)

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 21 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.

Results and dividends

The results of the Company are set out on page 5. The Company's result after tax for the period was £nil. The Directors do not recommend the payment of a final dividend.

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 29-34 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, these are shown above.

Directors

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

M L Turner (appointed 20 January 2009)

P I Hedley (appointed 20 January 2009 – resigned 22 July 2009)

T A Kendall (appointed 22 July 2009)

Political and charitable donations

The Company made no political or charitable donations during the period.

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 period under review. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Financial risk management

Details of the Group's financial risk management policy is set out on pages 82-86 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 FINANCE INVESTMENTS LIMITED

Directors' report for the period 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 those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

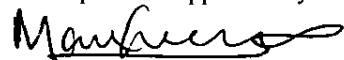
Disclosure of information to auditors

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, No. 06795997
Registered office
Millstream
Maidenhead Road
Windsor
Berkshire SL4 5GD

CENTRICA FINANCE INVESTMENTS LIMITED

Independent auditors' report to the member of Centrica Finance Investments Limited

We have audited the financial statements of Centrica Finance Investments Limited for the period 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 result for the period 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 period 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 FINANCE INVESTMENTS LIMITED

Profit and loss account for the period ended 31 December 2009

	Notes	2009 £000
Administration costs		-
Result on ordinary activities before taxation	2 & 3	-
Taxation on loss on ordinary activities	4	-
Result for the financial period	8 & 9	-

There is no difference between the result for the period and the result on an historical cost equivalent basis

There were no other recognised gains or losses and accordingly a statement of total recognised gains and losses has not been presented

A statement of movements in shareholders funds' is shown in note 9

The notes on pages 7 to 10 form part of these financial statements

CENTRICA FINANCE INVESTMENTS LIMITED

Balance sheet as at 31 December 2009

	Notes	2009 £000
CURRENT ASSETS		
Investments	5	316,500
Cash at bank and in hand		10
		<u>316,510</u>
Creditors (amounts falling due within one year)	6	(314,510)
NET CURRENT ASSETS		<u>2,000</u>
TOTAL ASSETS LESS CURRENT ASSETS		2,000
NET ASSETS		<u><u>2,000</u></u>
CAPITAL AND RESERVES		
Called up share capital	7	-
Share premium account		2,000
TOTAL SHAREHOLDERS' FUNDS	9	<u><u>2,000</u></u>

The financial statements on pages 5 to 10 were approved and authorised for issue by the Board of Directors on 10 June 2010 and were signed on its behalf by



L Turner
Director

The notes on pages 7 to 10 form part of these financial statements

Company Registered Number 06795997

CENTRICA FINANCE INVESTMENTS LIMITED

Notes to the financial statements for the period 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

Exemptions

The Company is a wholly owned subsidiary undertaking of GB Gas Holdings Limited 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

Current asset investments

Current asset investments are included in the balance sheet at cost, less accumulated provisions for any impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

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

Non-interest bearing debt and loans All non-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 non-interest bearing loan payables are increased by any finance costs. The carrying amounts are reduced by the repayment of amounts owing under loan payables

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

2. DIRECTORS AND EMPLOYEES

The Directors received no emoluments during the period ended 31 December 2009 in respect of their services to the Company. There were no employees during the period

3. AUDITORS' REMUNERATION

Auditors' remuneration totalling £8,200 relates to fees for the audit of the UK GAAP statutory accounts of Centrica Finance Investments Limited and includes fees in relation to the audit of the IFRS Group consolidation schedules, for the purpose of the Centrica Group audit, which also contribute to the audit of Centrica Finance Investments Limited. Of the auditors' remuneration £8,200 is borne by Centrica plc

CENTRICA FINANCE INVESTMENTS LIMITED

Notes to the financial statements for the period ended 31 December 2009 (continued)

4. TAXATION

	2009 £000
(a) Analysis of tax charge for the period	
The tax charge for the period comprises	
Current tax	
United Kingdom Corporation Tax at 28%	-
Total Current tax	-
Deferred Tax	
Origination and reversal of timing differences	-
Total tax on loss for the period	-

(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 profit before tax is as follows

	2009 £000
Loss on ordinary activities before tax	-
Tax on profit on ordinary activities at standard UK corporation tax rate of 28%	-
Effects of	-
Group relief for nil consideration	908
UK UK transfer pricing adjustment	(908)
Tax charge for the Period	-

No deferred taxation arises in this period

5. INVESTMENTS

	2009 £000
Cost	
20 January 2009	-
Additions	316,500
31 December 2009	316,500

On 12 February 2009, the Company purchased 1,000 preference shares of Euro 1 each and 18,000 ordinary A shares of Euro 1 each, in Nessermolen Finance BV for a cash consideration of £66,500,000 and £250,000,000 respectively. On the same day, the Company exchanged its entire interest in the preference shares to ING Bank BV in exchange for 100 depository receipts. The depository receipts entitle the holder, Centrica Finance Investments Limited, to the entire economic interest in the preference shares of Nessermolen Finance BV, and carry the continuing voting rights in relation to those shares.

The investment is not to be held for the long term and has therefore been treated as a current asset investment.

CENTRICA FINANCE INVESTMENTS LIMITED

Notes to the financial statements for the period ended 31 December 2009 (continued)

6 CREDITORS

	2009 £000
Amounts falling due within one year	
Amounts owed to Group undertakings	314,510
	<u>314,510</u>

Amounts due to Group undertakings of £314,510,000 are unsecured, repayable on demand and interest free

7. CALLED UP SHARE CAPITAL

	2009 £
Issued, allotted and fully paid:	
100 ordinary shares of £1 each	<u>100</u>

On 20 January 2009 the Company issued and allotted 100 ordinary shares of £1 each to GB Gas Holdings Limited for £20,000 each

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 21 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

8. RECONCILIATION OF MOVEMENT IN RESERVES

	Share premium account £000
At 20 January 2009	-
Premium on ordinary shares	2,000
At 31 December 2009	<u>2,000</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £000
Result for the period	-
Premium on ordinary shares	2,000
Closing shareholders' funds	<u>2,000</u>

10. POST BALANCE SHEET EVENTS

On 12 February 2010 the Company sold its interest in the ordinary A shares of Nessermolen Finance BV to ING Bank NV for a cash consideration of £66,532,000 and the depositary receipts to Centrica Finance (UK) Limited for a cash consideration of £257,569,000. The underlying loans from Nessermolen Finance BV were repaid by GB Gas Holdings Limited on the same day.

CENTRICA FINANCE INVESTMENTS LIMITED

Notes to the financial statements for the period ended 31 December 2009 (continued)

11. ULTIMATE PARENT UNDERTAKING

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