

Registered Number: 04942184

Centrica (DSW) Limited

**Annual report and Financial Statements
For the year ended 31 December 2014**

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Centrica (DSW) Limited

Annual report and Financial Statements for the year ended 31 December 2014

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Centrica (DSW) Limited

Strategic report for the year ended 31 December 2014

The Directors present the Strategic report of the Company for the year ended 31 December 2014.

Principal activities

The principal activity of the Company for the year was the development, construction and operation of an offshore wind farm. During 2012, application for consent to further develop the site was declined.

On 31 October 2014, as part of an internal reorganisation by the ultimate parent company, the trade and assets of Centrica (DSW) Limited were transferred to its parent undertaking, Centrica Renewable Energy Limited, in exchange for £1 consideration. Following the transfer, on 31 October 2014 the ultimate parent company, Centrica plc forgave the Company's inter company loan of £10,695,000. The trade of Centrica (DSW) Limited will be taken on in Centrica Renewable Energy Limited from this date.

As the business activities of the Company have been transferred to Centrica Renewable Energy Limited it is envisaged that the Company will be classified as non-trading.

Review of business

The Company submitted an application for consent to the Department of Energy and Climate Change (DECC) in December 2008 for its development of the Docking Shoal Offshore Wind Farm ("Docking Shoal") project in the Greater Wash strategic development area designated by the UK Government and subsequently submitted Supplementary Environmental Information (SEI) in September 2009. During 2012, this application for consent to further develop the site was declined.

On 31 October 2014 the trade and assets of the Company were transferred to its parent undertaking, Centrica Renewable Energy Limited.

Future developments

As the business activities of the Company have been transferred to Centrica Renewable Energy Limited it is envisaged that the Company will be classified as non-trading.

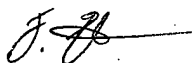
Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Centrica plc group ("the Group") and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company are discussed on pages 40-45 of the Annual Report and Accounts 2014 of the Group which does not form part of this report.

Key performance indicators

The Directors of the Group use a number of key performance indicators to monitor progress against the Group's strategy. The development and performance of the Group, which includes the Company, are discussed on pages 18-19 of the Annual Report and Accounts 2014 of the Group which does not form part of this report.

This Strategic report was approved by the Board on 23 June 2015



By order of the board for and on behalf of:

Centrica Secretaries Limited

Company Secretary

Company registered in England and Wales No. 04942184

Registered office:

Millstream

Maidenhead Road

Windsor

Berkshire

SL4 5GD

Centrica (DSW) Limited

Directors' report for the year ended 31 December 2014

The Directors present their report and the audited financial statements of Centrica (DSW) Limited ("the Company") for the year ended 31 December 2014.

Future developments

Future developments of the Company are commented on in the Strategic report on page 1.

Financial risk management

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its targets within a prudent risk management framework. These objectives and policies are regularly reviewed. Exposure to counterparty credit risk and liquidity risk arises in the normal course of the Company's business:

- Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits. Credit risk is predominantly limited to exposures with other Centrica plc group undertakings.
- Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly.
- Liquidity risk is managed through funding arrangements with Centrica plc group undertakings.

The Company did not take part in hedging of any kind (2013: £nil). The Company would assess the need to hedge foreign currency risk should exposures arise.

Results and dividends

The results of the Company are set out on page 6. The profit for the financial year ended 31 December 2014 is £12,069,000 (2013: profit of £762,000). No dividends were paid during the year (2013: £nil) and the Directors do not recommend the payment of a final dividend (2013: £nil).

Financial position

The financial position of the Company is presented in the balance sheet on page 7. The total shareholders' deficit at 31 December 2014 was £nil (2013: £12,069,000).

Going concern

The Directors believe that preparing the financial statement on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Centrica plc. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after these financial statements are signed.

Directors

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

S P Redfern	
R M McCord	
G S Collinson	(Resigned 1 January 2014)
J E Knight	(Resigned 24 October 2014)
D A J Crowther	(Resigned 28 November 2014)
P Koch de Gooreynd	(Appointed 2 February 2015)

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.

Centrica (DSW) Limited

Directors' report for the year ended 31 December 2014 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, 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 prepared 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; 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.

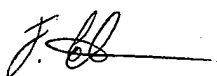
Disclosure of information to auditors

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 they have taken all the 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.

Independent 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 Directors' report was approved by the Board on 23 June 2015



By order of the board for and on behalf of:
Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales No. 04942184

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica (DSW) Limited

Independent auditors' report to the members of Centrica (DSW) Limited

Report on the financial statements

Our opinion

In our opinion, Centrica (DSW) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit 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.

What we have audited

Centrica (DSW) Limited's financial statements comprise:

- Balance sheet as at 31 December 2014;
- Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion;

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Centrica (DSW) Limited

Independent auditors' report to the members of Centrica (DSW) Limited (continued)

Responsibility for the financial statements and the audit

Our responsibility and those of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK&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 members as a body 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Mark King (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

June 2015

Centrica (DSW) Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Administrative expenses	3	-	802
Exceptional - Inter company loan forgiven by Centrica plc	3	10,695	-
Exceptional - Release of decommissioning provision	3	1,374	-
Operating profit / (loss) after exceptional item		12,069	802
Interest payable and similar charges	6	-	(40)
Profit on ordinary activities before taxation	3	12,069	762
Tax on profit on ordinary activities	7	-	-
Profit for the financial year	12	12,069	762

The Company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated and their historical cost equivalents. All results relate to discontinued operations.

The notes on pages 8 to 13 form part of these financial statements.

Centrica (DSW) Limited

Balance sheet as at 31 December 2014

	Note	2014 £000	2013 £000
Current assets			
Debtors	8	-	82
Creditors - amounts falling due within one year	9	-	(10,777)
Net current liabilities		-	(10,695)
Total assets less current liabilities		-	(10,695)
Provisions for liabilities	10	-	(1,374)
Net liabilities		-	(12,069)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	-	(12,069)
Total shareholders' deficit	13	-	(12,069)

The notes on pages 8 to 13 form part of these financial statements.

The financial statements on pages 6 to 13 were approved and authorised for issue by the Board of Directors on 23 June 2015 and were signed on its behalf by:



Richard McCord
Director

Company No. 04942184

Centrica (DSW) Limited

Notes to the financial statements for the year ended 31 December 2014

1 Principal accounting policies

Accounting principles

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and the Companies Act 2006. The principal accounting policies are set out below.

Accounting policies have been applied consistently, other than where new policies have been adopted.

Basis of preparation

The Directors believe that the going concern basis is applicable for the preparation of the financial statements 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.

Tangible assets

Tangible assets are included in the balance sheet at historic cost, less accumulated depreciation and any provisions for impairment.

Assets in the course of construction represent the cost of purchasing, commissioning, constructing and installing tangible fixed assets ahead of their productive use. When the asset is brought into use, the associated cost will be transferred to plant and machinery, and the asset will begin to be depreciated on a straight-line basis over its useful economic life.

Payments on account represent payments that the Company has made in respect of tangible assets for which it has not yet taken delivery. The assets have not yet been employed by the Company, and accordingly no depreciation charge is recognised for this class of asset. On delivery, the payments on account are reclassified to the relevant asset class and depreciated in accordance with the policy of that class.

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Recoverable amount is the higher of net realisable value and value in use. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Foreign currency

The financial statements of the Company are presented in pounds sterling, which is the Company's functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date, and movements are included in the profit and loss account.

Centrica (DSW) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Principal accounting policies (continued)

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 balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted. Deferred tax is not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Abandonment provision and decommissioning asset

Provision is made for the net present value of the estimated cost of decommissioning the asset at the end of its useful life, based on price levels and technology at the balance sheet date.

Changes in these estimates and changes to the discount rates are dealt with prospectively.

When this provision gives access to future economic benefits, a decommissioning asset is recognised and included within tangible fixed assets. The decommissioning asset is amortised on a straight-line basis over the useful life of the wind farm from the date that the asset is brought into use.

The unwinding of the discount on the provision is included in the profit and loss account within interest payable.

Loans payable

Loans payable are initially recognised at the fair value of the consideration received, after deduction of transaction costs that are directly attributable to the issue of the loan.

2 Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary of Centrica Renewable Energy 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 a cash flow statement under the terms of Financial Reporting Standard No. 1 (revised 1996) "Cash Flow Statements". The Company is also exempt under the terms of Financial Reporting Standard No. 8 "Related Party Disclosures" from disclosure of transactions with other wholly-owned companies that are part of the Centrica plc group.

Centrica (DSW) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Profit on ordinary activities before taxation

On 31 October 2014, following the transfer of the trade and assets of Centrica (DSW) Limited to its parent company, Centrica Renewable Energy Limited, the ultimate parent company Centrica plc forgave the inter company loan balance of £10,695,000.

As the trade and assets of the Company have been transferred to Centrica Renewable Energy Limited in exchange for £1 consideration, the decommissioning provision of £1,374,000 has been released to the profit and loss account.

Auditors' remuneration was £9,000 (2013: £9,000) and was borne by another Group company and relates to fees for the audit of the UK GAAP statutory financial statements of Centrica (DSW) Limited.

4 Directors' emoluments

The aggregate emoluments paid to directors in respect of their qualifying services were £57,407 (2013: £59,991). The aggregate value of company contributions paid to a pension scheme in respect of directors' qualifying services was £7,863 (2013: £10,925). The aggregate compensation payments paid to directors in respect of loss of office were £11,013 (2013: £nil). There were 3 directors (2013: 4) to whom retirement benefits are accruing under a defined benefit pension scheme. There were 2 directors (2013: one) to whom retirement benefits are accruing under money purchase pension schemes. There were 3 directors (2013: 4) who received shares in the ultimate parent company in respect of their qualifying services under a long-term incentive scheme. There were 2 directors (2013: 3) who exercised share options relating to the ultimate parent company. All of these costs were borne by other Centrica group companies.

5 Employee information

The Company has no employees and no staff costs (2013: £nil). Any costs relating to employees are borne by other Centrica group companies.

6 Interest payable and similar charges

	2014 £000	2013 £000
Unwinding of discount on abandonment provision	-	40

Centrica (DSW) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Tax on profit on ordinary activities

	2014 £000	2013 £000
(a) Analysis of tax charge for the year		
The tax charge comprises:		
Current tax:		
United Kingdom corporation tax at 21.49% (2013: 23.25%)	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax on profit/(loss) on ordinary activities	-	-

(b) Factors affecting tax charge for the year

The tax charge for the financial year differs (2013: differs) from the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%) The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before taxation	12,069	762
Tax on profit on ordinary activities at standard UK corporation tax rate of 21.49% (2013: 23.25%)	2,594	177
Effects of:		
Expenses not deductible for tax purposes	-	154
Income not taxable for tax purposes	(2,299)	-
Movement in short term timing differences	(295)	(101)
Utilisation of tax losses	-	(230)
Total current tax charge for the year	-	-

The main rate of corporation tax was reduced from 23% to 21% from 1 April 2014. A further reduction to reduce the rate to 20% from 1 April 2015 was substantively enacted in Finance Act 2013 on 2 July 2013 and has been reflected within these financial statements.

Centrica (DSW) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Debtors

	2014 £000	2013 £000
Amounts owed by Group undertakings	-	25
Other debtors	-	57
	<u>-</u>	<u>82</u>

9 Creditors – amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to Group undertakings	-	10,131
Accruals and deferred income	-	646
	<u>-</u>	<u>10,777</u>

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

10 Provisions for liabilities

	Abandonment provision £000	Total £000
As at 1 January 2014	1,374	1,374
Utilised	-	-
Additions / revisions	-	-
Profit and loss credit	<u>(1,374)</u>	<u>(1,374)</u>
As at 31 December 2014	<u>-</u>	<u>-</u>

Centrica (DSW) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Called up share capital

	2014 £	2013 £
Allotted and fully paid		
2 ordinary shares (2013:2) of £1 each	<u>2</u>	<u>2</u>

12 Profit and loss account

	Profit and loss account £000
At 1 January 2014	(12,069)
Profit for the financial year (note 13)	<u>12,069</u>
At 31 December 2014	<u>-</u>

13 Reconciliation of movements in shareholders' deficit

	2014 £000	2013 £000
Opening shareholders' deficit at 1 January	(12,069)	(12,831)
Profit for the financial year	<u>12,069</u>	<u>762</u>
Closing shareholders' deficit at 31 December	<u>-</u>	<u>(12,069)</u>

14 Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Centrica plc. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after these financial statements are signed.

15 Ultimate parent undertaking

The Company's immediate parent undertaking is Centrica Renewable Energy Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated financial statements. Copies of the Centrica plc consolidated financial statements may be obtained from www.centrica.com.