

**British Gas Solar Limited**

**Directors' report and financial statements  
For the year ended 31 December 2011**

**Registered number 4296394**



# **British Gas Solar Limited**

<b>Contents</b>	<b>Pages</b>
Directors' report for the year ended 31 December 2011	1
Independent auditors' report to the members of British Gas Solar Limited	4
Profit and loss account for the year ended 31 December 2011	6
Balance Sheet as at 31 December 2011	7
Notes to the financial statements for the year ended 31 December 2011	8-18

# **British Gas Solar Limited**

## **Directors' report for the year ended 31 December 2011**

The directors present their report and the audited financial statements of British Gas Solar Limited ("the Company") for the year ended 31 December 2011

### **Principal activities**

The principal activity of the Company is the design and installation of renewable energy technology, specialising in solar photovoltaic installations

On 30 December 2011, as part of an internal re-organisation by the ultimate parent company, the trade and assets of British Gas Solar Limited were transferred to another group company, Solar Technologies Group Limited and ultimately to British Gas New Heating Limited, in exchange for an intercompany receivable of £1,932,559. The trading of British Gas Solar will be taken on in British Gas New Heating Limited from this date. Following the transfer, on the 30 December, British Gas Solar Limited declared and paid an interim dividend of £1,932,558 to British Gas New Heating Limited. Where relevant, all remaining balances within the Company have been converted to non interest bearing intercompany loans.

As the business activities of the Company have been transferred into British Gas New Heating Limited it is envisaged that the Company will be classed as non-trading from now on.

### **Business review**

British Gas Solar Limited grew significantly throughout 2011 with revenues up almost 400% on the previous year. Income was split almost equally between commercial and residential activity with the 'Rent your Roof' financing opportunity providing a vehicle for growth in both markets.

A significant proportion of the 2011 turnover resulted from trade with 2 intergroup companies under the aforementioned 'Rent your Roof' scheme. This scheme was to supply and install solar photovoltaic technology however due to government Feed in Tariff changes this scheme concluded in December 2011.

During 2011, it was decided to merge the activities of British Gas Solar Limited with British Gas New Heating Limited and take advantage of synergies. All employees were transferred onto British Gas New Heating employment contracts and integrated into British Gas New Heating Limited.

### **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 36-40 of the 2011 Annual Report and Accounts of the Group which does not form part of this report.

### **Key performance indicators (KPIs)**

The Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

### **Future developments**

A reduction to Feed in Tariffs (FiTs) has rendered the Rent your Roof financing vehicle redundant as the returns are deemed no longer attractive to investors. However opportunities to install in the large commercial market exist via use of Renewable Obligations Certificates (ROC's) and British Gas Solar Limited are actively looking to gain a share in this area. The Feed in Tariff levels currently set out by the Department of Energy and Climate Change (DECC) will ensure that the Solar PV market continues to exist for both residential and commercial installations albeit at a reduced size.

# British Gas Solar Limited

## Directors' report for the year ended 31 December 2011 (continued)

### Results and dividends

The results of the Company are set out on page 6

By special resolution passed on the 5 December 2011, the Company cancelled its irredeemable cumulative preference shares (£696,770) and reduced its ordinary called up share capital by £49,999 to £1. The reduction was performed after the Board of Directors of British Gas Services Limited provided a letter of support to the Company.

The profit for the financial year ended 31 December 2011 is £3,956,000 (2010: loss £1,768,000).

The Directors paid an interim dividend of £1,932,558 during the year. The Directors do not recommend the payment of a final dividend (2010: nil).

### Financial position

The financial position of the Company is presented in the balance sheet on page 7. Shareholders' funds at 31 December 2011 were £1 (2010: deficit of £2,719,000).

### Directors

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

	Date of appointment	Date of resignation
J A Kimber	25 September 2008	
C MacDonald	22 March 2011	
N Truesdale	21 January 2010	9 February 2012
H R Floyd	9 February 2012	

### 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.

### 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 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.

# **British Gas Solar Limited**

## **Directors' report for the year ended 31 December 2011 (continued)**

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.

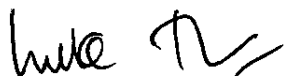
### **Disclosure of information to auditors**

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 a Director 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 independent auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the Board on 28 June 2012  
and signed by the order of the Board by



For and on behalf of Centrica Secretaries Limited  
**Company secretary**

Registered number 4296394

Registered office  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

# **British Gas Solar Limited**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH GAS SOLAR LIMITED**

We have audited the financial statements of British Gas Solar Limited for the year ended 31 December 2011 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 Statement of Directors' responsibilities set out on page 2-3 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 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 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.

### **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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2011 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

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# British Gas Solar Limited

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH GAS SOLAR LIMITED (CONTINUED)

### 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 the information and explanations we require for our audit



Stephen Pascoe (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
9, Greyfriars Road,  
Reading,  
RG1 1JG

28 June 2012

# British Gas Solar Limited

## Profit and loss account for the year ended 31 December 2011

		Year ended 31 December 2011	Year ended 31 December 2010
	Notes	£'000	£'000
<b>Turnover</b>	3	<b>43,381</b>	8,897
Cost of sales		(36,114)	(7,537)
Gross profit		<u>7,267</u>	1,360
Administrative expenses		(6,945)	(3,121)
<b>Operating profit/(loss)</b>	4	<u>322</u>	(1,761)
Profit on sale of an operation	5	3,626	-
Interest payable and similar charges	8	(5)	(6)
Interest receivable	8	12	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>3,955</u>	(1,767)
Tax on profit on ordinary activities	10	1	(1)
<b>Profit/(loss) for the financial year</b>	18	<u><u>3,956</u></u>	(1,768)

All amounts relate to discontinued operations

The Company has no recognised gains and losses other than those included in the results 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 year stated above and their historical cost equivalents

The notes on pages 8 to 18 form part of these financial statements



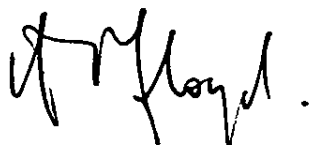
# British Gas Solar Limited

## Balance sheet as at 31 December 2011

		31 December 2011 £'000	31 December 2010 £'000
	Notes		
<b>Fixed assets</b>			
Tangible assets	11	-	96
<b>Current assets</b>			
Stocks	12	-	5,798
Debtors	13	-	2,900
Cash at bank and in hand		-	26
		-	8,724
<b>Creditors – amounts falling due within one year</b>	14	-	(11,470)
<b>Net current liabilities</b>		-	(2,746)
<b>Total assets less current liabilities</b>		-	(2,650)
Provisions for liabilities and charges	15	-	(69)
<b>Net liabilities</b>		-	(2,719)
<b>Capital and reserves</b>			
Called-up share capital	16	-	50
Profit and loss account	17	-	(2,769)
<b>Total shareholders' deficit</b>	18	-	(2,719)

The notes on pages 8 to 18 form part of these financial statements

The financial statements on pages 6 to 18 were approved and authorised for issue by the Board of Directors on 28 June 2012 and were signed on its behalf by



HR Floyd  
Director

Company Number, 4296394

# **British Gas Solar Limited**

## **Notes to the financial statements for the year ended 31 December 2011**

### **1 Principal accounting policies**

#### **Accounting principles**

These financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with United Kingdom accounting standards and the Companies Act 2006. The principal accounting policies, which have been consistently applied throughout the period, are set out below.

#### **Going concern**

Centrica plc, the ultimate parent undertaking, will provide financial support to the Company to ensure that it is able to meet its liabilities as they fall due for the foreseeable future (ie at least twelve months from the date of approval of these financial statements), enabling it to carry on business without a significant curtailment of operations. Accordingly, these financial statements have been prepared on a going concern basis.

#### **Redeemable preference shares**

In accordance with FRS 25 'Financial instruments: disclosures and presentation' redeemable preference shares are treated as a liability and disclosed with creditors. Preference dividends payable are non-cumulative and are disclosed as interest.

#### **Turnover**

Turnover is based on invoiced values to customers for goods and services, excluding discounts and value added tax, and is recognised once the goods or underlying service have been provided. Long term contracts are included in turnover on the basis of the sales value of work performed during the period by reference to the total contract value and stage of completion of these contracts.

#### **Long-term contracts**

The Company has long-term contracts that fall into different accounting periods. In assessing the allocation of revenues and costs to individual accounting periods, and the consequential assets and liabilities, the Company estimates the total revenues and costs forecast to arise in respect of the contract and the stage of completion based on an appropriate measure of performance. In determining the degree of contractual performance, reference is made to the costs incurred in relation to the estimated expected costs.

Profit is recognised on long-term contracts when the final outcome can be assessed with reasonable certainty by including turnover and related costs within the profit and loss account as contract activity progresses.

Full provision is made for any estimated losses to completion of contracts having regard to the overall substance of the arrangements.

# British Gas Solar Limited

## Notes to the financial statements for the year ended 31 December 2011

### 1 Principal accounting policies (continued)

#### Tangible fixed assets

Tangible fixed assets are included in the balance sheet at historic purchase cost less accumulated depreciation. Depreciation was changed in line with Centrica plc accounting policy and is charged on all fixed assets, at rates calculated to write-off the cost of each asset on a straight line basis over its expected useful life as follows for these asset classes

- |                          |   |
|--------------------------|---|
| - Plant and machinery    | straight line over a range of 3 to 15 years |
| - Computers and software | straight line over a range of 3 to 5 years  |

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 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 fair value less costs to sell 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.

#### Taxation

Current tax, being 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.

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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

# **British Gas Solar Limited**

## **Notes to the financial statements for the year ended 31 December 2011**

### **1 Principal accounting policies (continued)**

#### **Leasing commitments**

Rentals paid under operating leases are charged on a straight line basis over the term of the lease

#### **Stocks**

Finished goods and goods for resale are valued at the lower of cost and net realisable value on an actual basis. Cost comprises direct materials, and where applicable, direct labour costs and overhead costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling prices less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### **Pensions**

The Company's employees participate in a number of the Group's defined benefit pension schemes. The Company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and therefore accounts for the schemes as if they were defined contribution schemes. The charge to the profit and loss account is equal to the contributions payable to the schemes in the accounting period, which are based on pension costs across the Group as a whole.

### **2 Cash flow statement**

The Company is a wholly-owned subsidiary of Centrica plc and is included in the consolidated financial statements of Centrica plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements'.

### **3 Turnover**

Turnover relates to the principal activity of the business and occurs wholly in the United Kingdom.

## British Gas Solar Limited

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 4 Operating profit

	2011 £'000	2010 £'000
-		
Operating profit/(loss) is stated after charging		
Depreciation of tangible fixed assets	40	33
Services provided by the Company's auditor:		
Fees payable for the audit	9	-
Operating lease Rentals	89	51

Fees payable for the audit of 2011 represent an accrual for additional work carried out by the Company's auditor. The main fees for auditing 2010 and 2011 financial statements are taken centrally by Centrica plc and not recharged to the Company.

#### 5 Profit on sale of an operation

On 30 December 2011 as part of an internal re-organisation by the ultimate parent company, the trade and assets of British Gas Solar Limited were transferred to Solar Technologies Group Limited and ultimately to British Gas New Heating Limited in exchange for a fixed agreed intercompany receivable of £1,932,559 generating a profit of £3,626,223 on disposal.

#### 6 Directors' emoluments

The aggregate emoluments paid to directors in respect of their qualifying services were £38,037 (2010 £48,414). The aggregate value of company contributions paid to a pension scheme in respect of directors' qualifying services were £5,167 (2010 £4,391). There were 2 directors (2010 2) to whom retirement benefits are accruing under a defined benefit pension schemes. There was 1 director (2010 1) to whom retirement benefits are accruing under money purchase pension schemes. There were 3 directors (2010 2) who received shares in the ultimate parent company in respect of their qualifying services under a long-term incentive scheme. There were nil directors (2010 1) who exercised share options relating to the ultimate parent company.

# British Gas Solar Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 7 Staff costs

	2011 £'000	2010 £'000
Wages and salaries	5,197	2,499
Social Security	536	236
Pension costs	177	47
	<u>5,909</u>	<u>2,782</u>

#### Number of employees

Average number of employees during the year	<u>158</u>	<u>72</u>
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On 30 December 2011, all employees were transferred to British Gas New Heating Limited

### 8 Interest

	2011 £'000	2010 £'000
Interest payable and similar charges:		
Bank loans and overdrafts	(5)	(3)
Due on loans from group undertakings	-	(3)
	<u>(5)</u>	<u>(6)</u>
Interest receivable	12	-
Net interest received/(paid)	<u>7</u>	<u>(6)</u>

### 9 Dividend

	2011 £'000	2010 £'000
Interim dividend paid and proposed	<u>1,933</u>	<u>-</u>

The Directors paid an interim dividend during the year of £1,933,000, no final dividend has been proposed

# British Gas Solar Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 10 Tax on loss on ordinary activities

	2011 £'000	2010 £'000
<b>(a) Analysis of tax charge in the year</b>		
The tax (charge) comprises		
<b>Current tax:</b>		
United Kingdom corporation tax at 26.50% (2010: 28%)	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	1
Adjustments in respect of prior years	(1)	-
Tax on profit/(loss) on ordinary activities	(1)	1

#### (b) Factors affecting the tax charge for the year

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

	2011 £'000	2010 £'000
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>3,955</b>	<b>(1,767)</b>
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 26.50% (2010: 28%)	1,048	(495)
Effects of		
Non Taxable Income	(961)	-
General inadmissible expenditure	2	-
Depreciation in excess of capital allowances	5	(1)
Group relief for nil consideration	-	517
Loss utilisation	(94)	-
UK-UK transfer pricing adjustment	-	(21)
Total current tax charge for the period	-	-

A number of changes to the UK corporation tax system were announced in the March 2011 and the March 2012 Budget Statements. The main rate of corporation tax was reduced from 28% to 26% from 1 April 2011 and was substantively enacted on 29 March 2011. A further reduction to 25% from 1 April 2012 was substantively enacted on 5 July 2011 and a further reduction to 24% from 1 April 2012 was substantively enacted on 26 March 2012. Further reductions to the main rate are proposed to further reduce the rate by 1% per annum to 22% by 1 April 2014. Beyond the reduction to 25%, the changes had not been substantively enacted at the balance sheet date and, therefore are not included in these financial statements. The impact of these proposed further reductions on the deferred tax balances is not expected to be material.

# British Gas Solar Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 11 Tangible fixed assets

	Plant and machinery £'000	Computers £'000	Software £'000	Total £'000
<b>Cost</b>				
As at 1 January 2011	13	52	82	147
Additions	-	3	2	5
Disposals	(13)	(55)	(84)	(152)
<b>As at 31 December 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation</b>				
As at 1 January 2011	5	22	23	51
Charge for the year	2	11	27	40
Disposals	(7)	(34)	(50)	(91)
<b>At 31 December 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>				
<b>At 31 December 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 December 2010	8	29	59	96

### 12 Stocks

	2011 £'000	2010 £'000
Finished goods and goods for resale	-	5,444
Long-term contract balances	-	354
	<b>-</b>	<b>5,798</b>
Long-term contract balances consist of the following		
Costs to date less provision for losses	-	354
Less applicable payments on account	-	-
	<b>-</b>	<b>354</b>



# British Gas Solar Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 13 Debtors

	2011	2010
	£'000	£'000
Trade debtors	-	1,141
Amounts owed by group undertakings	-	727
Other debtors	-	57
Amounts recoverable on contracts	-	763
Taxation and social security	-	208
Prepayments	-	4
	<u>-</u>	<u>2,900</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. All amounts are due within one year.

Deferred tax assets at 25% (2010: 27%) comprise

	Provided		Unprovided	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Deferred tax				
- accelerated capital allowances	-	1	-	-
- losses carried forward	-	-	-	(157)
	<u>-</u>	<u>1</u>	<u>-</u>	<u>(157)</u>

### 14 Creditors - amounts falling due within one year

	2011	2010
	£'000	£'000
Payments received on account	-	165
Trade creditors	-	1,197
Amounts owed to group undertakings	-	9,307
Accruals	-	801
	<u>-</u>	<u>11,470</u>

Amounts owed to group undertakings related to 696,770 cumulative irredeemable preference shares of nominal value of £1 each. The 696,770 preference shares were presented as a financial liability within creditors in accordance with FRS 25 "Financial Instruments Presentation". By special resolution passed on 5 December 2011 the Company cancelled the preference shares. The cancellation totalling £696,770 was credited to cumulative retained earnings.

Other amounts owed to group undertakings were unsecured, interest free and repayable on demand.

# British Gas Solar Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 15 Provisions for liabilities and charges

	Deferred tax £'000	Warranty reserve £'000	Total £'000
As at 1 January 2011	1	68	69
Additional provisions made in the year		-	-
Amounts utilised in the year		-	-
Disposals	(1)	(68)	(69)
As at 31 December 2011	-	-	-

### 16 Called-up share capital

	2011 £'000	2010 £'000
Allotted and fully paid		
1 ordinary share of £1 each	-	50

The Company has taken advantage of the provision of the Companies Act 2006 to abolish the requirement to have an authorised share capital

By special resolution passed on 5 December 2011 which was accepted by the Companies House on the 16 December, the Company reduced its ordinary called up share capital by £49,999 to £1 by the cancellation of 49,999 shares at a nominal value of £1. The capital reduction totalling £49,999 was credited to cumulative retained earnings. The issued share capital was then 1 ordinary share with a nominal value of £1

### 17 Profit and loss account

	£'000
As at 1 January 2011	(2,769)
Profit for the financial year	3,956
Dividends paid (note 9)	(1,933)
Reduction in share capital	747
As at 31 December 2011	-

## **British Gas Solar Limited**

### **Notes to the financial statements for the year ended 31 December 2011 (continued)**

#### **18 Reconciliation of movements in shareholders' funds**

	2011	2010
	£'000	£'000
Profit/(loss) for the financial year	3,956	(1,768)
Dividend paid	(1,933)	-
Preference share cancellation	697	-
Opening shareholders' deficit at 1 January	(2,719)	(951)
Closing shareholders' deficit at 31 December	-	(2,719)

#### **19 Pensions**

The majority of the Company's UK employees as at 31 December 2011 were members of two of the three main schemes in the Centrica plc Group, the Centrica Pension Scheme, The Centrica Engineers Pension Scheme and the Centrica Pension Plan

Except for the defined contribution section of the Centrica Pension Scheme, these are defined benefit schemes and their assets are held in separate trustee administered funds. However, it is not possible on a reasonable and consistent basis to identify the Company's share of the underlying assets and liabilities within these schemes, and therefore, as allowed within FRS17 'Retirement benefits', these schemes have been treated as defined contribution schemes.

The liabilities under the pension schemes will be paid out over an extended period. The Company is contributing to the pension fund on the basis of actuarial advice as to the amounts required to meet these liabilities in full. This actuarial advice is based on funding valuations carried out at least triennially, the last of which was as at 31 March 2009.

#### **20 Related party disclosures**

The Company has taken advantage of the exemption from the requirement to disclose details of transactions with other Centrica plc Group companies under the terms of FRS 8 'Related party disclosures'.

There were no other related party transactions requiring disclosure in accordance with FRS 8 'Related party disclosures'.

## **British Gas Solar Limited**

### **Notes to the financial statements for the year ended 31 December 2011 (continued)**

#### **21 Ultimate parent undertaking and controlling party**

On 30 December as part of an internal reorganisation British Gas New Heating Limited purchased 100% of the share capital of the Company

The ultimate parent undertaking and ultimate controlling party is Centrica plc, a company registered in England and Wales which is the parent company of the smallest and largest group to consolidate their financial statements. Copies of Centrica plc consolidated financial statements may be obtained from [www.centrica.com](http://www.centrica.com) or from the Company Secretary, Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GB