

Registered Number 03275458

Centrica Electric Limited

Annual report and Financial Statements
For the year ended 31 December 2009

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Centrica Electric Limited

Annual report and Financial Statements for the year ended 31 December 2009

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Centrica Electric Limited

Directors' report for the year ended 31 December 2009

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

Principal activities

The Company's principal activity during the year was that of a holding company

Business review

There are no plans to change the nature of activity in the foreseeable future

Future developments

A similar profile to 2009 is expected in the coming year

Principal risks and uncertainties and financial risk management

The principal risks and uncertainties are integrated with the principal risks of the Centrica plc group ("the Group") and are not managed separately. The principal risks to the Group are set out on pages 29-34 of the 2009 annual report and accounts of Centrica plc, which does not form part of this report

The directors of the Group have established objectives and policies for managing financial risks to enable the Group and the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed

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, performance and position of the Group, which includes the Company, are discussed on pages 8-9 of the 2009 annual report and accounts of the Group which does not form part of this report

Results and dividends

The results of the Company are set out on page 5

During the year the Company made a profit of £179,000 (2008 £221,000). No dividends were paid on the ordinary shares for the year ended 31 December 2009 (2008 £nil). The directors do not recommend the payment of a final dividend (2008 £nil)

Financial position

The financial position of the Company is presented in the balance sheet on page 6. Shareholders' funds at 31 December 2009 were £3,693,000 (2008 £3,514,000)

Post balance sheet event

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 14 January 2010 to delete all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association

Centrica Electric Limited

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

Directors

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

Centrica Directors Limited

Pamela Mary Coles

(appointed 12 November 2009)

Paul Moore

(resigned 12 November 2009)

There were no contracts of significance during or at the end of the financial year to which the Company or any subsidiary and associated undertakings is a party and in which any director is or was materially interested

Creditor payment policy

It is the Company's policy to pay all of its creditors in accordance with the policies set out below. Special contractual terms apply for gas and electricity supplies. For all other trade creditors, it is the Company's policy to

- i) agree the terms of payment in advance with the supplier,
- ii) ensure that suppliers are aware of the terms of payment, and
- iii) pay in accordance with contractual and other legal obligations

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

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.

Centrica Electric Limited

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

Disclosure of information to auditors

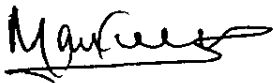
In accordance with Section 418(2) of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, that

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself 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 11 June 2010



For and on behalf of
Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales No 03275458

Registered office
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica Electric Limited

Independent auditors' report to the members of Centrica Electric Limited

We have audited the financial statements of Centrica Electric Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 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 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.

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 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 matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Derek Coe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull
11 June 2010

Centrica Electric Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover		-	-
Cost of sales		-	-
Operating profit	3	-	-
Other income	6	179	221
Profit on ordinary activities before taxation		179	221
Tax on profit on ordinary activities	7	-	-
Profit for the year	11	179	221

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

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

All activities relate to continuing operations

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

Centrica Electric Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Investments	8	2,466	2,466
Current assets			
Debtors	9	1,227	1,048
Net current assets		<u>1,227</u>	<u>1,048</u>
Net assets		<u>3,693</u>	<u>3,514</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss reserve	11	1,227	1,048
Other reserves	11	2,466	2,466
Total shareholders' funds	12	<u>3,693</u>	<u>3,514</u>

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

The financial statements on pages 5 to 10 were approved and authorised for issue by the Board of Directors on 11 June 2010 and were signed on its behalf by



Pamela Coles
Director

Centrica Electric Limited

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

1 Statement of accounting policies

Basis of accounting

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

Investments

Fixed asset investments are shown at fair value on inception less any provision for impairment.

Dividends

Irredeemable preferential dividends received are recognised as other income in the profit and loss account when they become payable.

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.

2 Cash flow statements and related party disclosures

The Company is a wholly-owned subsidiary 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 a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements". The Company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Disclosures" from disclosure of transactions with other companies that are part of the Centrica plc group.

3 Operating profit

Any incidental expenses and auditors' remuneration are borne by the parent undertaking.

4 Directors' emoluments

The directors received no emoluments during the year as they are employed by other Centrica group companies (2008: £nil).

5 Employee information

The Company had no direct employees in both periods.

Centrica Electric Limited

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

6 Other income

	2009 £'000	2008 £'000
Preference share dividends receivable	179	221

Preference share dividends receivable relate to irredeemable preference shares held in Centrica Barry Limited, a fellow subsidiary company

7 Tax on profit on ordinary activities

	2009 £'000	2008 £'000
Current tax		
UK corporation tax on the profits of the period	-	-
Total tax charge on profit on ordinary activities	-	-

The tax assessed for the year differs from that calculated at the standard rate of corporation tax in the UK (28%). The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	179	221
Profit on ordinary activities multiplied by standard rate in the UK of 28% (2008 28.5%)	50	63
Effects of		
Income not subject to tax	(50)	(63)
Group relief for nil consideration	(5)	(15)
UK UK transfer pricing adjustment	5	15
Current tax charge for the year	-	-

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly the Company's profits for 2008 were taxed at an effective rate of 28.5% and the profits for 2009 are taxed at 28%.

Centrica Electric Limited

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

8 Fixed asset investments

	2009 £'000	2008 £'000
Cost or fair value		
At 1 January and 31 December	<u>2,466</u>	<u>2,466</u>

The investment represents 100% of the issued irredeemable £0.01 preference share capital of Centrica Barry Limited. The shares were received for nil consideration and hence have been recognised at fair value on inception, being the present value of future dividends receivable as at date of issue. GB Gas Holdings Limited, the Company's immediate parent undertaking, owns 100% of the issued ordinary share capital of Centrica Barry Limited.

The Centrica Barry Limited preference shares confer upon the holders the right in priority to any payment by way of dividend to receive a cumulative preferential dividend at the rate of 12-month LIBOR plus 4.72% per annum.

9 Debtors

	2009 £'000	2008 £'000
Amounts owed by fellow Group undertakings	<u>1,227</u>	<u>1,048</u>

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

10 Called up share capital

	2009 £	2008 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

Centrica Electric Limited

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

11 Reserves

	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 January 2009	1,048	2,466	3,514
Retained profit for the year	179	-	179
At 31 December 2009	<u>1,227</u>	<u>2,466</u>	<u>3,693</u>

Other reserves comprise an unrealised gain on shares acquired in Centrica Barry Limited (see note 8)

12 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Profit for the financial year	179	221
Opening shareholders' funds	<u>3,514</u>	<u>3,293</u>
Closing shareholders' funds	<u>3,693</u>	<u>3,514</u>

13 Post balance sheet event

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 14 January 2010 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.

14 Ultimate parent undertaking

The Company's immediate parent undertaking is GB Gas Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Centrica plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Centrica plc consolidated financial statements can be obtained from www.centrica.com.