

Registered No: 04118195

Centrica America Limited

**Annual Report and Financial Statements
For the year ended 31 December 2013**



Centrica America Limited

Strategic report for the year ended 31 December 2013

The Directors present their Strategic report of Centrica America Limited (the "Company") for the year ended 31 December 2013.

Principal activities

The principal activity of the Company was to act as an investment holding company. The Company did not trade during the year.

Review of business and future developments

The financial position of the Company is presented in the balance sheet on page 7. Shareholder's funds at 31 December 2013 were US\$384,000 (2012: US\$901,380,000).

The Directors believe that the currency of the primary economic environment in which the Company operates and generates net cash flows is US dollars and accordingly the financial statements have been prepared in US dollars.

Subsequent to an internal reorganisation on 31 December 2012 the Company has not traded, and is not expected to trade in the foreseeable future.


Principal risks and uncertainties

The Company does not presently trade and is not subject to any significant risks outside of the Group.

Key performance indicators ("KPIs")

Given the nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This Strategic report was approved by the board on 25 September 2014.



For and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, Registered No: 04118195

Registered office:

Millstream

Maidenhead Road

Windsor

Berkshire

SL4 5GD

Centrica America Limited

Directors' report for the year ended 31 December 2013

The Directors present their report and the audited financial statements of Centrica America Limited ("the Company") for the year ended 31 December 2013.

Review of business and future developments

Refer to Strategic Report on page 1.

Called up share capital

By special resolution passed on 19 December 2013, which was accepted by the Companies House on the same date, the company reduced its called up share capital by US\$900,995,844 to US\$100 by the cancellation of 603,980,944 fully paid up ordinary shares at a nominal value of US\$603,980,944, 200,000,000 partly paid up ordinary shares at a nominal value of US\$197,014,900, and 100,000,000 ordinary B shares at a nominal value of US\$100,000,000. The capital reduction totalling US\$900,995,844 was credited to share capital. The issued share capital was then 100 ordinary shares of US\$1 each with a nominal value of US\$100.

Results and dividends

The Directors paid an interim dividend during the year of US\$900,996,331 (2012: US\$nil). The Directors do not recommend the payment of a final dividend (2012: US\$nil).

Directors

The following served as Directors throughout the year and up to the date of signing of this report:

N M Carroll	Appointed 21 October 2013
Centrica Directors Limited	Appointed 21 October 2013
I G Dawson	Resigned 21 October 2013
C Redcliffe	Resigned 21 October 2013
J Bell	Resigned 21 October 2013

Political donations

The Company made no political donations during the year (2012: US\$nil).

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.

Financial risk management

Details of the Group's financial risk management policy are set out on pages 145-149 of the Group's 2013 Annual Report and Accounts.

Centrica 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 America Limited

Directors' report for the year ended 31 December 2013 (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 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 report was approved by the board on 25 September 2014.



For and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, Registered No: 04118195
Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica America Limited

Independent auditors' report to the member of Centrica America Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its results 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Centrica America Limited, comprise:

- the Balance Sheet as at 31 December 2013
- the 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 their preparation 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (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.

In addition, we read all the financial and non-financial information in the Strategic Report, Director's 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Centrica America Limited

Independent auditors' report to the member of Centrica America Limited (continued)

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 if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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 and express an opinion on the financial statements in accordance with applicable law and 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.

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

25 September 2014

Centrica America Limited

Profit and loss account for the year ended 31 December 2013

The Company did not recognise any profit and loss during the year (2012: US\$nil). There were no other recognised gains or losses (2012: US\$nil), and accordingly a statement of total recognised gains and losses has not been presented.

A reconciliation of movements in shareholders' funds is shown in note 8.

The notes on pages 8 to 10 form part of these financial statements.

Centrica America Limited

Balance sheet as at 31 December 2013

	Notes	2013 US\$000	2012 US\$000
Current assets			
Debtors	5	384	901,380
Net current assets		<u>384</u>	<u>901,380</u>
Total assets less current liabilities		<u>384</u>	<u>901,380</u>
Net assets		<u>384</u>	<u>901,380</u>
Capital and reserves			
Called up share capital	6	-	900,996
Profit and loss account	7	174	174
Special reserve	7	210	210
Total shareholder's funds	8	<u>384</u>	<u>901,380</u>

The financial statements on pages 6 to 10 were approved and authorised for issue by the Board of Directors on 25 September 2014 and were signed on its behalf by:



N M Carroll
Director

Registered No: 04118195

The notes on pages 8 to 10 form part of these financial statements.

Centrica America Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

1. Principal accounting policies

Accounting principles

The financial statements have been prepared in accordance with applicable United Kingdom 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 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. In particular the amounts owed to Group undertakings will not be required to be repaid for the foreseeable future.

Exemptions

The Company is a wholly owned subsidiary undertaking of Centrica Beta 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 of 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.

Reporting currency

The Directors believe that the currency of the primary economic environment in which the Company operates and generates net cash flows is US dollars. Accordingly the financial statements have been prepared in US dollars. The 31 December 2013 US dollar to Sterling exchange rate used in the preparation of these financial statements was 1.65665 (2012: 1.6242) and the average rate for the year was 1.5650 (2012: 1.5896).

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.

The Company is exempted by FRS 29 from providing detailed disclosures in respect of its financial instruments because it does not apply FRS 26.

2. Directors and employees

The emoluments of all of the directors are not paid to them in their capacity as Directors of the Company and are payable for services wholly attributable to other Centrica plc subsidiary undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements. There were no employees during the year (2012: nil).

3. Auditors' remuneration

Auditors' remuneration totalling US\$8,283 (2012: US\$14,306) relates to fees for the audit of the UK GAAP statutory financial statements of the Company. The auditors' remuneration of US\$8,283 (2012: US\$14,306) is borne by Centrica plc.

Centrica America Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

4. Dividends paid

	2013 US\$000	2012 US\$000
Dividends paid	<u>900,996</u>	<u>-</u>

The Directors paid an interim dividend during the year of US\$900,996,331 following a capital reduction in the year. No final dividend was proposed.

5. Debtors: Amounts falling due within one year

	2013 US\$000	2012 US\$000
Amounts owed by Group undertakings	<u>384</u>	<u>901,380</u>

Amounts owed by Group undertakings are unsecured and interest free.

6. Called up Share Capital

	2013 US\$000	2012 US\$000
Called up, allotted and fully paid:		
100 (2012: 603,980,944) Ordinary shares of US\$1 each	-	603,981
Nil (2012: 100,000,000) Ordinary B Shares of US\$1 each (i)	-	100,000
Called up, allotted and partly paid:		
Nil (2012: 200,000,000) Ordinary shares of US\$1 each	-	197,015
	<u>-</u>	<u>900,996</u>

(i) Ordinary B shares carried equal voting rights and rights on winding up to ordinary shares of the Company.

By special resolution passed on 19 December 2013, which was accepted by the Companies House on the same date, the company reduced its called up share capital by US\$900,996,331 to US\$100 by the cancellation of 803,980,844 ordinary shares at a nominal value of US\$800,995,844 and the cancellation of 100,000,000 ordinary B shares at a nominal value of US\$100,000,000. The capital reduction totalling US\$900,995,844 was credited to cumulative retained earnings. The issued share capital was then 100 ordinary shares of US\$1 each with a nominal value of US\$100.

Centrica America Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

7. Reconciliation of Movement in Reserves

	Special reserve US\$000 (i)	Profit and loss account US\$000	Total US\$000
1 January 2013	210	174	384
Result for the financial year	-	-	-
Reduction in share capital	-	900,996	900,996
Dividend paid	-	(900,996)	(900,996)
31 December 2013	210	174	384

(i) The special reserve comprises foreign exchange gains arising on the re-translation of the Company's reserves to US dollars. As these amounts have not been realised, they have been excluded from distributable reserves.

8. Reconciliation of movements in shareholder's funds

	Share capital account US\$000	Profit and loss account US\$000	Special reserve US\$000	Total shareholder's funds US\$000
As at 1 January 2013	900,996	174	210	901,380
Capital reduction	(900,996)	900,996	-	-
Dividend paid	-	(900,996)	-	(900,996)
As at 31 December 2013	-	174	210	384

9. Ultimate parent undertaking

Centrica Beta 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 controlling party and the only company to consolidate the financial statements of the Company. Copies of the Annual Report of Centrica plc may be obtained from www.centrica.com.