

**CENTRICA QUEST LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2000**



**Registered No: 3271974**

## **CENTRICA QUEST LIMITED**

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## CENTRICA QUEST LIMITED

### DIRECTORS' REPORT

The Directors submit their report and the audited accounts of Centrica Quest Limited for the year ended 31 December 2000

#### Principal Activities

The principal activity of the Company is to act as trustee in respect of the provision of shares to participants in Centrica plc's Sharesave Scheme.

#### Share capital

The authorised share capital of the Company, together with details of shares issued, is shown in note 7.

#### Business Review and Financial Results

During the year, options over 16 million ordinary shares were granted (1999 17 million ordinary shares) and options over 6 million ordinary shares lapsed (1999 3 million ordinary shares). Options over 74 million ordinary shares were outstanding as at 31 December 2000 (1999 81 million ordinary shares).

The Company did not enter into any revenue transactions during the period. All expenses incurred in its activity of providing shares to satisfy the exercises of sharesave options were borne by the ultimate parent company and other group companies. The Directors do not recommend the payment of a dividend (1999 Nil).

#### The Directors

The following served as Directors during the period:

C E Chamberlain

E Clarkson

D Macmillan

B Phillips (appointed 29 May 2000) resigned (15 February 2001)

A Garrihy (resigned on 2 August 2001)

Post December 2000

LE Caldwell appointed (2 August 2001) resigned (4 September 2001)

D R Woodward appointed (4 September 2001)

#### Directors' interests

At no time did any Director, still holding office at 31 December 2000 have any interest in the shares or debentures of the Company or any other company or associated company of the Centrica group except for interests in shares and options over shares of the ultimate parent company, Centrica plc, as follows:

	Beneficial interests	
	As at 31 December 2000	As at 31 December 1999
E Clarkson	8,347	1,229
A Garrihy	16,077	1,539
D Macmillan	2,169	1,926

## CENTRICA QUEST LIMITED

### DIRECTORS' REPORT - Continued

- (i) Beneficial interests include shares appropriated under the terms of the Centrica plc Profit Sharing Scheme.

#### Sharesave and Long Term Incentive Scheme

##### Sharesave Scheme (i)

	As at 31 December 2000	Granted during year	Exercised during year (ii)	As at 31 December 1999
E Clarkson	4,751	3,060	13,448	15,139
A Garrihy	4,781	4,781	21,012	21,012
D Macmillan	33,482	-	-	33,482

- (i) Options over shares in Centrica plc are normally exercisable at varying dates up to November 2005 at prices from 46.4 pence per share to 202.6 pence per ordinary share under the terms of Centrica's savings related share option scheme.
- (ii) Options granted in April 1997 exercised at an option price 46.4 pence per share.

##### Long Term Incentive Scheme (i)

	As at 31 December 2000	Granted during year (ii)	As at 31 December 1999
A Garrihy	178,325	31,885	146,440

- (i) Total allocations as at 31 December 2000 shown above include both notional allocations of shares that are subject to performance conditions and awards of shares that have reached the conclusion of their performance period but will not be transferred until the expiry of the retention period (a further two-years).
- (ii) Notional allocation of shares made on 2 October 2000 under the Long Term Incentive Scheme at a base price of 208.68 pence.

Options were granted under the terms of the ultimate parent company's Savings Related Share Option Scheme and allocations made under the terms of the Long Term Incentive Scheme, details of which are disclosed in the Centrica plc Annual Report for the year ended 31 December 2000.

The middle market price of a Centrica plc ordinary share on the last trading day of 2000 (29 December) was 259.25 pence. The range during the year was 263 pence (high) and 173 pence (low).

There were no contracts of significance subsisting during or at the end of the financial period to which the Company or any of its subsidiary and associated undertakings is a party and in which any Director is or was materially interested.

## CENTRICA QUEST LIMITED

### DIRECTORS' REPORT - continued


#### Directors' Insurance

The Company has through its ultimate parent company, Centrica plc, maintained insurance for the Directors in respect of their duties as Directors of the Company.

#### Auditors

The Company has passed an elective resolution to dispense with the need to hold Annual General Meetings and the laying of accounts before them and with the need to re-appoint Auditors annually.

This report was approved by the Board on 19 October 2001.



IAN RITCHIE

By order of the Board  
Centrica Secretaries Limited  
Secretary

Centrica Quest Limited  
Registration Number: 3271974  
Registered Office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

## **CENTRICA QUEST LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS**

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period.

The Directors consider that in preparing the financial statements on pages 6 to 10, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and all accounting standards which they consider to be applicable have been followed.

The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## CENTRICA QUEST LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CENTRICA QUEST LIMITED

We have audited the financial statements on pages 6 to 10.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

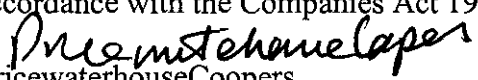
#### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London WC2N 6RH  
19 October 2001

## **CENTRICA QUEST LIMITED**

### **PROFIT AND LOSS ACCOUNT**

The Company did not enter into any revenue transactions during the year (1999 nil). There were no recognised gains or losses (1999 nil). The audit fee was borne by the ultimate parent company in both 2000 and 1999.

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



# CENTRICA QUEST LIMITED

## BALANCE SHEET

	Notes	As at 31 December 2000 £	As at 31 December 1999 £
<b>Current assets</b>			
Debtors (amounts falling due within one year)	4	1,350	-
Investments	5	-	178,304
Cash at bank and in hand		56,064	1,217
		<u>57,414</u>	<u>179,521</u>
<b>Creditors (amounts falling due within one year)</b>	6	(57,412)	(179,519)
<b>Net current and total assets</b>		<u>2</u>	<u>2</u>
<b>Capital and reserves - equity interests</b>			
Called up share capital	7	2	2
<b>Shareholders' funds</b>	8	<u>2</u>	<u>2</u>

The accounts on pages 6 to 9 were approved by the Board of Directors on 19<sup>th</sup> October 2001 and were signed on its behalf by:

  
 Director *Deek Woodward*

19 October 2001

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

# CENTRICA QUEST LIMITED

## NOTES TO THE ACCOUNTS

### 1 Principal accounting policies

#### Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

#### Exemptions

As the Company was a wholly owned subsidiary undertaking of Centrica plc, the Company has taken advantage of the exemptions within: Financial Reporting Standard No 1 "Cash Flow Statements" from presenting a cash flow statement; and Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other group companies.

### 2 Directors and employees

#### a) Directors' remuneration

The Directors received no emoluments during the period ended 31 December 2000 (1999 nil) in respect of their services to the Company. There were no other employees of the Company. Three directors are members of the ultimate parent company's defined benefit pension scheme.

#### b) Directors' interests

Directors' interests are shown in the Directors' Report on page 1-2.

### 3 Profit and Loss

The Company did not enter into any revenue transactions during the year (1999 nil).

### 4 Debtors (amounts falling due within one year)

	As at 31 December 2000 £	As at 31 December 1999 £
Amounts owed by group undertakings	1,350	-

# CENTRICA QUEST LIMITED

## 5 Current Asset Investments

	As at 31 December 2000 £	As at 31 December 1999 £
Investment in listed securities	-	178,304

The market value of these investments was £178,813 on the last trading day of 1999 (30 December) when the Centrica plc ordinary share price was 175.50 pence.

## 6 Creditors (amounts falling due within one year)

	As at 31 December 2000 £	As at 31 December 1999 £
Amounts owed to group employees	54,557	178,304
Amounts owed to group undertakings	2,855	1,215
	<u>57,412</u>	<u>179,519</u>

## 7 Called up share capital

	As at 31 December 2000 £	As at 31 December 1999 £
Authorised 100 ordinary shares of £1 each	100	100
Issued, allotted and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

## 8 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
1 January	2	2
Profit for Financial Year	-	-
31 December	<u>2</u>	<u>2</u>

## **CENTRICA QUEST LIMITED**

### **9 Ultimate parent company**

Centrica plc is the ultimate parent undertaking and copies of the Annual Report and Accounts of Centrica plc may be obtained from the Company Secretary, Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5DG.