

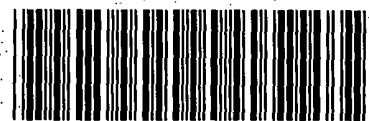
Company Registration No. 01026007

British Gas Social Housing Limited

Report and Financial Statements for the year ended

31 December 2013

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British Gas Social Housing Limited

Report and Financial Statements for the year ended 31 December 2013

Contents

Strategic Report for the year ended 31 December 2013	1
Directors' Report for the year ended 31 December 2013	2
Independent Auditors' Report to the members of British Gas Social Housing Limited	4
Profit and Loss Account for the year ended 31 December 2013	6
Balance Sheet as at 31 December 2013	7
Notes to the Financial Statements for the year ended 31 December 2013	8

British Gas Social Housing Limited

Strategic Report for the year ended 31 December 2013

The directors present their strategic report on British Gas Social Housing Ltd ("the company") for the year ended 31 December 2013.

Review of the Business

The principal activity of the company, which trades under the P H Jones brand, is the installation, servicing and repair of central heating systems predominantly in the Social Housing Sector. During 2013 the Company commenced work completing central heating installations in private homes on behalf of British Gas.

2013 has seen a transformation in underlying business performance, forming the foundation to a formal recovery plan that will see the Company return to profitable trading in 2014. In addition, the management team has established customer quality service, safety, employee engagement and cash control procedures which are compliant with Centrica policies.

The Company is again securing new business in the marketplace where its transformed quality and safety performance is gaining tenure with customers. The Company continues to be supported by British Gas and is on-track in its plans for 2014.

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.

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 42-48 of the Annual Report and Accounts 2013 of the Group which does not form part of this report.

A large proportion of the Company's business involves working with gas and electricity in domestic premises; with this in mind, health and safety and regulatory issues are the two main areas of non-financial risk upon which the Company focuses.

To mitigate these risks, the health and safety team provides regular training and support to enable staff to keep up-to-date with best practice and also to ensure that the Company has sufficiently robust systems and procedures that are continuously reviewed.

All engineers are accredited to the regulatory bodies that their work requires and are suitably qualified for any work that they undertake; for example, gas engineers are Gas Safe-registered and also undertake specific training for specialist work. Regular training is also provided to maintain current qualifications. A proportion of engineers' work is also audited by independently-qualified consultants to ensure that it is of an acceptable standard; any issues are addressed with the engineers through the Company's internal procedures.

This strategic report was approved by the Board on 17th September 2014.



For and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales. Registration No. 01026007

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
United Kingdom
SL4 5GD

British Gas Social Housing Limited

Directors' Report for the year ended 31 December 2013

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2013.

Future developments

The Company continues to improve its operations in order to achieve the quality standards of Centrica plc, the ultimate parent undertaking, and to adapt to meet the broader strategic plan objectives. With profitable product lines the company will drive growth in the installations sectors, in both gas and non-gas, as well as developing a number of strategic models to define the benefits to the core British Gas business activity of this low-cost business model.

Financial risk management

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth 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 and is managed within parameters set by the Directors.

Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits. Exposure to credit risk is limited predominantly to exposures with other Group companies or exposure to credit risk which arises in the normal course of operations as a result of the potential for a customer defaulting on its payable balance. In the case of business customers, credit risk is managed by checking a company's creditworthiness and financial strength both before commencing to trade and during a business relationship. An ageing of receivables is monitored and used to manage the exposure to credit risk.

Cash forecasts identifying liquidity requirements of the Company are produced and reviewed periodically to ensure there is sufficient financial headroom for at least a twelve month period from the date of approval of these financial statements.

Dividends

The Company did not pay a dividend during the year (2012: £nil). The Directors do not propose to pay a final dividend (2012: £nil).

Directors

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

Gab Barbaro

Kenneth Main

Peter Vernon Black

(appointed 1 March 2014)

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent undertaking, Centrica plc. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are unlikely to affect their interests and that all employees are aware of the financial and economic performance of business units and of the company as a whole. Communication with all employees continues through the in-house newsletters and briefing groups.

British Gas Social Housing 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 value of the state of affairs of the Company and of the profit or loss of the Company for that year. 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;
- 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.

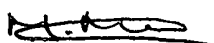
Disclosure of information to auditors

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 17/09/2014.



For and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales. Registration No. 01026007

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
United Kingdom
SL4 5GD

British Gas Social Housing Limited

Independent Auditors' Report to the members of British Gas Social Housing 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 loss 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 British Gas Social Housing 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 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.

British Gas Social Housing Limited

Independent Auditors' Report to the members of British Gas Social Housing 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.

Stephen Pascoe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

17/09/2014

British Gas Social Housing Limited

Profit and Loss Account for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	2	72,445	60,402
Cost of sales		<u>(58,393)</u>	<u>(50,663)</u>
Gross profit		14,052	9,739
Administrative expenses before exceptional items		(14,082)	(13,368)
Administrative expenses - exceptional items	3	-	(1,549)
Administrative expenses		<u>(14,082)</u>	<u>(14,917)</u>
Operating loss	4	(30)	(5,178)
Interest payable and similar charges	6	<u>(584)</u>	<u>(96)</u>
Loss on ordinary activities before taxation		(614)	(5,274)
Tax on loss on ordinary activities	7	<u>181</u>	<u>(10)</u>
Loss for the financial year	17	<u><u>(433)</u></u>	<u><u>(5,284)</u></u>

There are no material differences between the loss on ordinary activities before taxation for the financial years stated above and their historical cost equivalents.

There have been no recognised gains or losses during the year other than those shown in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

All activities are continuing.

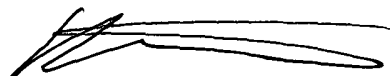
The notes on pages 9 to 20 form part of these financial statements.

British Gas Social Housing Limited

Balance Sheet as at 31 December 2013

	Note	2013 £000	2012 £000
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	476	385
		<u>476</u>	<u>385</u>
Current assets			
Stocks	11	383	383
Debtors	12	23,984	28,879
Cash at bank and in hand		9,239	2,693
		<u>33,606</u>	<u>31,955</u>
Creditors: Amounts falling due within one year	13	(23,340)	(21,164)
Net current assets		<u>10,266</u>	<u>10,791</u>
Total assets less current liabilities		10,742	11,176
Creditors: Amounts falling due after more than one year	14	(5,000)	(5,000)
Net assets		<u>5,742</u>	<u>6,176</u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	17	5,742	6,176
Total shareholders' funds	18	<u>5,742</u>	<u>6,176</u>

The financial statements on pages 7 to 20 were approved and authorised for issue by the Board of Directors on 17/09/2014 and were signed on its behalf by:



Kenneth Main
Director

Company Registration No. 01026007

The notes on pages 9 to 20 form part of these financial statements.

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013

1. Principal accounting policies

Basis of preparation

These financial statements have been prepared on the 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 are set out below. The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

The Company is a wholly-owned subsidiary undertaking of P.H. Jones Group Limited, which is a wholly-owned subsidiary undertaking whose ultimate parent undertaking is Centrica plc. The Company has taken advantage of the exemptions within FRS 1 'Cash flow statements' (revised 1996) from presenting a cash flow statement and within FRS 8 'Related party disclosures' from disclosing transactions with other wholly-owned Group undertakings.

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.

Turnover

Turnover is stated net of VAT and discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of consideration due.

Exceptional Items

The directors consider transactions to be disclosed as exceptional items if individually or, if of a similar type, in aggregate, are by virtue of their size or incidence needed to give a true and fair view of the financial statements. The exceptional items will be presented in the profit and loss in accordance to whether the related exceptional item was part of the ordinary operating activities of the company.

Intangible fixed assets

The purchase of the Homeserve franchise was recorded initially at cost. The intangible has been fully amortised on a straight line basis over the five year term of the agreement.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of each asset down to its estimated residual value over its expected useful life, as follows:

Leasehold improvements	5 years straight-line
Plant and equipment	5 years straight-line
Fixtures and fittings	5 years straight-line
Computer equipment	3 years straight-line
Motor vehicles	5 years straight-line

Stocks

Stocks are stated at the lower of cost and net realisable value.

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (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 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. Deferred tax assets are recognised only to the extent that the Directors consider the asset can be recovered with reasonable certainty.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which 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.

Pension costs

For defined contribution schemes, the amount charged to the Profit and Loss Account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the Balance Sheet.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

2. Turnover

The Company's turnover was all derived from its principal activities. All sales were made in the United Kingdom.

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

3. Exceptional items

In the prior year, the acquisition Balance Sheet review concluded that debtors, prepayments and accrued income and tangible assets on acquisition were overvalued as follows:

	2013 £000	2012 £000
Restructuring provision	-	174
Write-off of tangible assets	-	107
Fair valuation of debtors	-	328
Adjustments to other debtors	-	98
Write-down of prepayments and accrued income	-	842
Total exceptional items - continuing operations	-	1,549

4. Operating loss

The operating loss is stated after charging / (crediting):

	2013 £000	2012 £000
Depreciation of tangible fixed assets:		
Owned assets	265	388
Leased assets	-	9
(Profit) / Loss on disposal of tangible fixed assets	(23)	25
Operating lease rentals:		
Land and buildings	285	433
Plant and equipment	2,458	2,907
Fees payable to the Company's auditor for the audit of the Company	22	21
Exceptional items (note 3)	-	1,549

Auditors' remuneration relates to fees for the audit of the UK GAAP statutory financial statements of British Gas Social Housing Limited.

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

5. Staff costs

	2013 Number	2012 Number
Average monthly number of employees (including Directors):		
Administration	243	238
Technical	472	499
	<u>715</u>	<u>737</u>
Their aggregate remuneration comprised:		
	2013 £000	2012 £000
Wages and salaries	20,010	21,004
Social security costs	2,055	2,124
Other pension costs (note 20)	221	218
	<u>22,286</u>	<u>23,346</u>

Directors' remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	2013 £000	2012 £000
Emoluments	51	125
Pension contributions	7	51
	<u>58</u>	<u>176</u>

The Company is exempt from disclosing the remuneration of the highest paid Director in the year ended 31 December 2013, since the total Directors' remuneration in the year was less than £200,000.

There was one Director during the year to whom retirement benefits is accruing under defined benefit pension schemes (2012: three), and there was one Director during the year to whom retirement benefits are accruing under a money purchase pension scheme (2012: two).

There were two Directors who received shares in Centrica plc in respect of their qualifying services under a long-term incentive scheme during the year (2012: five), and there were two Directors who exercised share options relating to Centrica plc during the year (2012: two).

6. Interest payable and similar charges

	2013 £000	2012 £000
Bank loans and overdrafts	-	26
Interest payable to Group undertakings	<u>584</u>	<u>70</u>
	<u>584</u>	<u>96</u>

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

7. Tax on loss on ordinary activities

The tax charge comprises:

	2013 £000	2012 £000
Current tax		
UK Corporation Tax on losses of the period	(151)	-
Total current tax	(151)	-
Deferred tax		
Origination and reversal of timing differences	(89)	(33)
Adjustment in respect of previous periods	(2)	-
Effect of changes in tax rates	61	43
Total deferred tax	(30)	10
Total tax on loss on ordinary activities	(181)	10

Factors affecting tax charge for the year

The tax charge for the current period differs from the standard rate of corporation tax of 23.25%.

The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(614)	(5,274)
Loss on ordinary activities at standard UK Corporation Tax rate of 23.25% (2012: 24.50%)	(142)	(1,292)
Effects of:		
Expenses not deductible for tax purposes	23	19
Capital Allowances for period in excess of depreciation	(33)	25
Movement in short term timing differences	1	1
Group relief not paid for	-	1,218
Transfer pricing adjustments	-	29
Current tax credit for the year	(151)	-

Factors that may affect future tax charges

The main corporation tax charge was reduced from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013. Further reductions to reduce the rate from 21% from 1 April 2014 to 20% by 1 April 2015 were substantively enacted in the Finance Act 2013 on 2 July 2013 and have been reflected within these financial statements.

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

8. Dividends

The Company did not pay a dividend during the year (2012 £nil). The Directors do not propose to pay a final dividend for the year (2012: nil).

9. Intangible assets

	£000
Cost	
At 1 January and 31 December 2013	<u><u>126</u></u>
Accumulated amortisation	
At 1 January and 31 December 2013	<u><u>126</u></u>
Net book value	
At 31 December 2012 and 31 December 2013	<u><u>-</u></u>

The intangible fixed asset value relates to the purchase of the Homeserve franchise. This value was to be written off over the term of the agreement, five years, on a straight-line basis.

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

10. Tangible assets

	Leasehold improvements, plant and equipment, fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost				
At 1 January 2013	687	475	448	1,610
Additions	128	233	-	361
Disposals	15	-	(107)	(92)
At 31 December 2013	830	708	341	1,879
Depreciation				
At 1 January 2013	570	224	431	1,225
Charge for the year	75	178	12	265
On disposals	15	-	(102)	(87)
At 31 December 2013	660	402	341	1,403
Net book value				
At 31 December 2013	170	306	-	476
At 31 December 2012	117	251	17	385

11. Stocks

	2013 £000	2012 £000
Raw materials and consumables	383	383

There was no significant difference between the replacement cost and the value disclosed for the above stocks.

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

12. Debtors

	2013	2012
	£000	£000
Trade debtors	7,883	10,586
Amounts owed by Group undertakings	7,244	7,063
Corporation Tax	79	79
Deferred tax asset (note 15)	406	376
Other debtors	639	803
Prepayments and accrued income	7,733	9,972
	<u>23,984</u>	<u>28,879</u>

All amounts owed by Group undertakings are unsecured, interest-free and repayable on demand.

13. Creditors: Amounts falling due within one year

	2013	2012
	£000	£000
Trade creditors	5,659	3,883
Amounts owed to Group undertakings	8,211	11,464
Value Added Tax	-	156
Other taxation and social security costs	614	622
Other creditors	17	-
Accruals and deferred income	8,839	5,039
	<u>23,340</u>	<u>21,164</u>

The bank overdraft was secured by an omnibus guarantee and set-off agreement between P.H. Jones Group Limited and its subsidiaries, along with a debenture giving fixed or floating charges on all assets of the Company (note 21).

The amounts owed to Group undertakings include £19,383,000 (2012: £10,237,000) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 2.34% and 3.19% per annum during 2013 (2012: 3.28% and 3.51%). The other amounts owed to Group undertakings are interest-free. All amounts owed to Group undertakings falling due within one year are unsecured and repayable on demand.

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

14. Creditors: Amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed to Group undertaking	<u>5,000</u>	<u>5,000</u>

Amounts owed to from the Group undertaking is unsecured and repayable on 30 December 2016. It bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The interest is paid semi-annually in arrears on 1 January and 1 July. The quarterly rates ranged between 2.34% and 3.19% during 2013 (2012: 3.29% and 3.51%).

15. Deferred taxation

	2013 £000	2012 £000
Deferred tax assets		
- Provision at start of the period	(376)	(386)
- Deferred tax credit in P&L for the period	(28)	-
- Adjustment in respect of prior years	(2)	(10)
	<u>(406)</u>	<u>(376)</u>

The deferred tax asset is analysed as follows:

	Provided		Potential	
	2013 £000	2012 £000	2013 £000	2012 £000
Deferred corporation tax				
- accelerated capital allowances	(297)	(373)	(297)	(373)
- STTD's - trading	(4)	(3)	(4)	(3)
- Losses	(104)	(120)	(104)	(120)
- Deferred losses not provided	-	120	N/A	N/A
	<u>(406)</u>	<u>(376)</u>	<u>(406)</u>	<u>(496)</u>

16. Called up share capital

	2013 £	2012 £
Allotted, issued and fully paid:		
100 (2012: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

17. Profit and loss account

	£000
At 1 January 31 December 2013	6,175
Loss for the financial year	(433)
At 31 December 31 December 2013	<u>5,742</u>

18. Reconciliation of movements in total shareholders' funds

	2013 £000	2012 £000
Opening shareholders' funds	6,175	11,459
Loss for the financial year	(433)	(5,284)
Closing shareholders' funds	<u>5,742</u>	<u>6,175</u>

19. Financial commitments

Capital commitments

There were no capital commitments at the end of the financial year (31 December 2012: £nil).

Operating lease commitments

Annual commitments under non-cancellable operating leases for the Company are as follows:

	Motor vehicles		Land and buildings	
	2013 £000	2012 £000	2013 £000	2012 £000
Operating leases which expire:				
Within one year	244	302	91	19
Between two and five years	515	822	74	164
After more than five years	-	-	-	22
	<u>759</u>	<u>1,124</u>	<u>165</u>	<u>205</u>

British Gas Social Housing Limited

Notes to the Financial Statements for the year ended 31 December 2013 (continued)

20. Pension costs

The Company operates a defined contribution pension scheme for all qualifying employees, the assets of which are held separately from those of the Company in an independently-administered fund. The pension cost represents contributions payable by the Company and amounted during the year to £221,000 (2012: £218,000).

Contributions totalling £21,000 were payable to the fund at 31 December 2013 (31 December 2012: £17,000).

21. Contingent liabilities

The Company has entered into a guarantee and debenture in favour of Lloyds TSB Bank plc and a cross-guarantee with certain P.H. Jones group undertakings in respect of amounts owed to their bankers. The Company's joint maximum liability in respect of this at 31 December 2013 was £6,500,000 (31 December 2012: £6,500,000).

22. 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.

23. Related party transactions

The Company has taken advantage of the exemptions from disclosing transactions with other wholly-owned Group undertakings. There were no other transactions with related parties during the year and (31 December 2012 £nil) there were no balances with related parties at 31 December 2013 and 31 December 2012.

24. Ultimate parent undertaking

The Company's immediate parent undertaking is P.H. Jones Group 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.