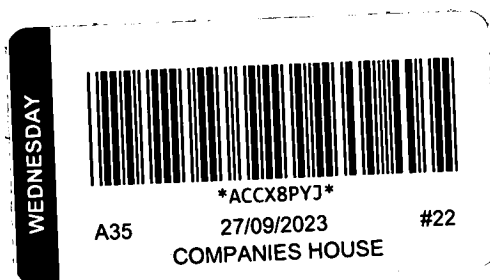


Registration number: 03186121

GB Gas Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



GB Gas Holdings Limited

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GB Gas Holdings Limited

Strategic Report for the Year Ended 31 December 2022

The Directors present their Strategic Report for GB Gas Holdings Limited (the 'Company') for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is to act as a holding company for Centrica plc ('the Group') and provision of finance to the Group Companies.

Section 172(1) Statement

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (d) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

General confirmation of Directors' duties

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (d) as described below.

(a) The likely consequences of any decision in the long term

The Directors remain conscious that decisions made could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to ensure that our decisions are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as supplier of long-term equity capital to the Company.

(b) The impact of the company's operations on the community and the environment

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group.

(c) The desirability of the company maintaining a reputation for high standards of business conduct

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

GB Gas Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

(d) The need to act fairly as between members of the company

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

Further information about how the Centrica Group engages with, and considered the interests of, different key stakeholders can be found on pages 12 to 13, 37 to 38 and 66 to 71 of Centrica plc's Annual Report and Accounts 2022.

Culture

The Company's culture is set by the Group and embedded in all we do. Further information on the Group's culture can be found on pages 7, 37, 44 to 45, 56 to 59, 67 and 71 of Centrica plc's Annual Report and Accounts 2022.

Stakeholder Engagement

As is normal for large companies, the Directors delegate authority for day to day management of the Company to executives engaged in setting, approving and overseeing execution of the business strategy and related policies of the Group. While there may be cases where the Directors judge that the Company should engage directly with certain stakeholder groups or on specific issues, the size and spread of both our stakeholders and the Group means that generally, stakeholder engagement best takes place at an operational or Group level. The Directors consider that as well as being a more efficient and effective approach, this also helps achieve a greater positive impact on environmental, social and other issues than working alone as an individual company. A description of how the Group engages with its stakeholders is set out on pages 12 to 13, 37 to 38 and 66 to 71 of Centrica plc's Annual Report and Accounts 2022.

GB Gas Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Review of the business

The financial position of the Company is presented in the Statement of Financial Position on page 15. Total equity as at 31 December 2022 was £1,932,688,000 (2021: £1,597,778,000). The profit for the financial year ended 31 December 2022 was £1,834,910,000 (2021: £1,102,066,000).

An adjustment of £22,555,000 (2021: £3,560,000 increase) was made to the Company's investment in Spirit Energy Limited as a result of a reduction in the estimate of decommissioning costs. In the current year, a revised estimate of the expected future payments has been made, resulting in a decrease in cost to the Company and therefore the cost of acquisition has been decreased as outlined in note 13.

Total investment impairment reversal (net of impairment charges) of £534,196,000 (2021: £1,031,127,000) relates to an impairment write-back of £86,402,000 (2021: £421,990,000) in respect of the Company's investment in Spirit Energy Limited which is primarily due to continued higher wholesale commodity prices, an impairment write-back of £155,000,000 (2021: £nil) in respect of the Company's investment in Centrica LNG Company Limited largely driven from the continued higher business valuation in Cheniere contract and an impairment write-back of £415,934,000 (2021: £149,546,000 impairment charge) in respect of the Company's investment in Centrica Storage Holdings Limited which is a result of improved cash flows during the year and reopening of storage gas site in September 2022 along with a higher receivable due from Centrica plc at year end. This is offset by an impairment charge of £123,140,000 (2021: £798,232,000 write-back) in respect of the Company's investment in Centrica Lake Limited which is mainly due to the dividend payment of £121,000,000 made by Centrica Lake Limited to the Company on 29 November 2022.

Impairment reversal/(charges) are listed in note 7(iv).

On 22 April 2022, the Company's receivable of £1,870,000 from its wholly owned subsidiary, Repair and Care Limited was settled by a capital injection. The investment was written off prior to its dissolution on 1 November 2022, resulting in an exceptional loss of £1,870,000 as disclosed in note 7(vi).

On May 31 2022, the sale of the interests in Statfjord (UK and Norway) and full portfolio of Norwegian oil and gas assets to unrelated third party buyers was completed for a headline consideration of \$1,076 million (approximately £800 million), resulting in an exceptional loss of £14,374,000 which was born by the Company as disclosed in note 7(vi). It relates to the legal and professional costs incurred by the Company and represents only a part of the actual loss in relation to the divestment of the full portfolio of Spirit Energy Norwegian assets.

Ukraine conflict

The Company is a subsidiary of the Centrica group, and as such is impacted by the energy crisis and Ukraine conflict. The energy markets remain very volatile, but the Centrica group continues to maintain a hedging strategy aligned to the price cap to minimise the exposure to market prices. The Company does not own any businesses or operate in Russia or Ukraine or Belarus and so has no direct impacts from those three countries. Furthermore, the Company has no investments in Russian entities or bonds. The Company is not expecting any direct material impacts but will keep monitoring the position.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with those of the Centrica plc group (the 'Group') and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are disclosed on pages 28-33 of the Group's Annual Report and Accounts 2022, which does not form part of this report.

GB Gas Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Key performance indicators ('KPIs')

Given the nature of the business, the Company's Directors are of the opinion that the KPIs necessary for an understanding of the development, performance and position of the Company are net assets and profit after tax.

The Directors of the Group use a number of KPIs to monitor progress against the Group's strategy. The development, performance and position of the Group, which includes the Company, are disclosed on pages 26-27 of the Group's Annual Report and Accounts 2022, which does not form part of this report. The results of the Company are disclosed in the Directors' Report on page 6.

Carbon emissions and energy usage

Carbon emissions and energy usage are not disclosed at a Company level due to exemptions detailed in Para 20A of Schedule 7 of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Carbon emissions and energy usage reporting for the Group is included in the 'People and Planet' section on pages 42-44 of Centrica plc's Annual Report and Accounts 2022. Specific metrics and targets are disclosed in the 'Task Force on Climate-related Financial Disclosures' section on pages 51 to 53 of the Group's Annual Report and Accounts 2022.

Future Developments

The successful divestment of the Norway business in the first half of 2022, which was predominantly oil producing, coupled with the cessation of oil production at the UK Chestnut Field in 2022, resulted in Spirit Energy becoming a predominantly gas producing business.

The Company will still hold its 69% stake in Spirit Energy's remaining UK and Netherlands assets, focusing on realising value from the remaining gas reserves and de-risking decommissioning liabilities. Spirit Energy is also actively reducing its underlying decommissioning liabilities by divestment and executing its decommissioning programme.

The Company will continue its principal activity of acting as an investment holding company and provision of finance to the Group Companies for the foreseeable future.

GB Gas Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Approved by the Board on 18/09/2023 and signed on its behalf by:



Ruth Odih

By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 03186121

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

GB Gas Holdings Limited

Directors' Report for the Year Ended 31 December 2022

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors of the Company

The Directors of the Company, who were in office during the year and up to the date of signing the financial statements were as follows:

K B Ringrose (resigned 28 February 2023)

R Roy

The following director was appointed after the year end:

R L O'Brien (appointed 28 March 2023)

Results and dividends

The results of the Company are set out on page 13. The profit for the financial year ended 31 December 2022 is £1,834,910,000 (2021: £1,102,066,000).

On 22 December 2022, the Company paid an interim dividend of £1,500,000,000 (2021: £nil) to its sole ordinary shareholder, Centrica Holdings Limited and the Directors do not recommend the payment of a final dividend (2021: £nil).

Financial risk management policy

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 in terms of price risk, credit risk, liquidity risk and cash flow risk

Exposure to counterparty credit risk, liquidity risk and cash flow risk arises in the normal course of the Company's business and is managed within parameters set by the Directors.

Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly. Liquidity risk is managed through funding arrangements with Group undertakings.

Risk of financial loss due to exposure to market downward movements in commodity prices can affect in-year P&L through the impact on the long term valuation of the Company's investments, with trading businesses exposed to commodity price risk. Energy markets remain very volatile, but the Centrica group continues to maintain a hedging strategy to minimise the exposure to market prices.

Future developments

Future developments are discussed in the Strategic Report on page 4.

Going concern

The Directors have received confirmation that provided the Company remains part of the Group, Centrica plc will support the Company for at least one year after the financial statements were authorised for issue and that amounts owed to Group undertakings will not be required to be repaid for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

The Directors have updated their Group going concern assessment as at 30 June 2023. The going concern assessment has included stress-testing cash forecasts for different scenarios including reasonably possible increases/decreases in commodity prices and evaluating risk scenarios for reasonably possible combinations of risks, the largest of which is the increased margin outflows in the trading and upstream businesses. Risks considered also include the impact of significant adverse weather events, increased bad debt charges due to the cost of living crisis, the risk of financial loss due to counterparty default and production falls in the Group's upstream business. The Group has established enhanced processes in the trading business and in respect of upstream to plan for and manage possible increases in margin cash requirements. The Group undrawn committed facilities as at 30 June 2023 were £3.8 billion in addition to Group unrestricted cash and cash equivalents of £5.9 billion. The level of undrawn committed bank facilities and available cash resources has enabled the Directors to conclude that there are no material uncertainties relating to going concern. As a result, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

On the basis of the enquiries made, and the fact that Centrica plc, the ultimate parent company, has confirmed it will continue to support the Company, the Directors have concluded that the Company should be able to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis.

Non-adjusting events after the financial period

On 24 January 2023, the Company sold its 15.72% of external investment in Gemserve Limited of £36,000 for a total consideration of £1,561,000 subsequent to a dividend of £819,000 being received on the same day. The investment securities were revalued by £1,525,000 to its consideration through income statement prior to its disposal. Both gain on disposal of investment and dividend receipt will be reflected in 2023 Financial Statements.

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. 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 Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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), including FRS 101 'Reduced Disclosure Framework' (FRS 101). 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 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.

GB Gas Holdings Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website which, in the absence of a website for GB Gas Holdings Limited, we refer to the Centrica plc Group website for this responsibility. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 that they have taken all 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. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

In accordance with Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved by the Board on 18/09/2023 and signed on its behalf by:



Ruth Odih

.....
By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 03186121
Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
United Kingdom

GB Gas Holdings Limited

Independent Auditors' Report to the Members of GB Gas Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of GB Gas Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

GB Gas Holdings Limited

Independent Auditors' Report to the Members of GB Gas Holdings Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the documentation of the policies and procedures relating to fraud and compliance with laws and regulations that has been established by the Company's ultimate parent. We also enquired of management and directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

GB Gas Holdings Limited

Independent Auditors' Report to the Members of GB Gas Holdings Limited (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

GB Gas Holdings Limited

Independent Auditors' Report to the Members of GB Gas Holdings Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Winstone.....

Daryl Winstone (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

2 New Street Square

Statutory Auditor

London

United Kingdom

Date: 18/9/23.....

GB Gas Holdings Limited

Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Operating costs	5	(67,841)	(43,615)
Exceptional item - net loss on disposal of property, plant and equipment	7	-	(741)
Exceptional items - impairment of property, plant and equipment	7	(4,302)	(7,102)
Exceptional items - other	7	-	(2,978)
Exceptional items - net impairment reversal	7	534,196	1,031,126
Exceptional items - (loss)/income on the disposal of investments	7	(16,244)	11,464
Exceptional items - provision reversal/(charge) for credit losses on financial assets	7	12,000	(11,803)
Other income	4	44,408	48,871
Operating profit		502,217	1,025,222
Income from shares in Group undertakings	8	1,506,968	364,000
Finance income	9	83,561	86,943
Finance costs	9	(175,127)	(377,305)
Net finance cost		(91,566)	(290,362)
Profit before taxation		1,917,619	1,098,860
Income tax (charge)/credit	11	(82,709)	3,206
Profit for the year from continuing operations		1,834,910	1,102,066

The notes on pages 18 to 58 form an integral part of these financial statements.

GB Gas Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 £ 000	2021 £ 000
Profit for the year	<u>1,834,910</u>	<u>1,102,066</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>1,834,910</u></u>	<u><u>1,102,066</u></u>

The notes on pages 18 to 58 form an integral part of these financial statements.

GB Gas Holdings Limited

Statement of Financial Position as at 31 December 2022

		(As restated)	
	Note	2022 £ 000	2021 £ 000
Non-current assets			
Property, plant and equipment	12	55,244	77,238
Deferred tax assets	11	6,657	89,126
Investments	13	9,074,988	8,866,522
Trade and other receivables	14	1,629,761	1,589,777
		<u>10,766,650</u>	<u>10,622,663</u>
Current assets			
Trade and other receivables	14	50,889	9,379
Cash and cash equivalents		3,262	3,173
		<u>54,151</u>	<u>12,552</u>
Total assets		<u>10,820,801</u>	<u>10,635,215</u>
Current liabilities			
Trade and other payables	16	(7,165,157)	(7,198,859)
Current tax liabilities	11	(328)	(510)
Provisions for other liabilities and charges	17	(3,313)	(6,223)
Borrowings	15	(17,122)	(21,166)
		<u>(7,185,920)</u>	<u>(7,226,758)</u>
Net current liabilities		<u>(7,131,769)</u>	<u>(7,214,206)</u>
Total assets less current liabilities		<u>3,634,881</u>	<u>3,408,457</u>
Non-current liabilities			
Deferred tax liabilities	11	(400)	(488)
Trade and other payables	16	(1,634,314)	(1,719,733)
Provisions for other liabilities and charges	17	(18,156)	(19,785)
Borrowings	15	(49,323)	(70,673)
		<u>(1,702,193)</u>	<u>(1,810,679)</u>
Total liabilities		<u>(8,888,113)</u>	<u>(9,037,437)</u>
Net assets		<u>1,932,688</u>	<u>1,597,778</u>
Equity			
Share capital	18	1,473	1,473
Share premium		500,000	500,000
Retained earnings		1,431,215	1,096,305
Total equity		<u>1,932,688</u>	<u>1,597,778</u>

The notes on pages 18 to 58 form an integral part of these financial statements.

GB Gas Holdings Limited

Statement of Financial Position as at 31 December 2022 (continued)

The prior year has been restated to reclassify £9,341,000 of expected credit loss provision on financial guarantee contracts from current receivables owed by Group undertakings to current payables and shown as a separate liability as they do not meet IFRS 7 'Financial Instruments: Disclosures' criteria for financial guarantee contracts. See note 2 for further details.

The financial statements on pages 13 to 58 were approved and authorised for issue by the Board of Directors on 18/09/2023 and signed on its behalf by:



.....
R L O'Brien
Director

Company number 03186121

GB Gas Holdings Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2022	1,473	500,000	1,096,305	1,597,778
Profit for the year	-	-	1,834,910	1,834,910
Total comprehensive income	-	-	1,834,910	1,834,910
Dividends	-	-	(1,500,000)	(1,500,000)
At 31 December 2022	1,473	500,000	1,431,215	1,932,688

	Share capital £ 000	Share premium £ 000	Retained losses £ 000	Total equity £ 000
At 1 January 2021	1,473	500,000	(5,761)	495,712
Profit for the year	-	-	1,102,066	1,102,066
Total comprehensive income	-	-	1,102,066	1,102,066
At 31 December 2021	1,473	500,000	1,096,305	1,597,778

The notes on pages 18 to 58 form an integral part of these financial statements.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

GB Gas Holdings Limited (the 'Company') is a private company limited by shares, incorporated in the United Kingdom under the Companies Act, 2006 and registered in England and Wales.

The address of its registered office and principal place of business is:

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
United Kingdom

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 5.

2 Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of UK adopted International Financial Reporting Standards ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company financial statements are presented in pounds sterling which is the functional currency of the Company.

Changes in accounting policy

From 1 January 2022, the following standards and amendments are effective in the Company's Financial Statements:

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', costs of fulfilling a contract; and
- Amendments to IAS 16: 'Property, Plant and Equipment', sale proceeds before intended use; and
- Annual improvements to IFRS 2018-2020.
- IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021.

None of these changes or amendments had any material impact on the Company's financial statements.

Summary of disclosure exemptions

In these financial statements, as a qualifying entity the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 'Statement of Cash Flows';
- the statement of compliance with Adopted IFRSs;
- the effects of new but not yet effective IFRSs;
- prior year reconciliations for property, plant and equipment;
- the prior year reconciliations in the number of shares outstanding at the beginning and at the end of the year for share capital;

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

- disclosures in respect of related party transactions with wholly-owned subsidiaries in a group;
- disclosures in respect of the compensation of key management personnel; and
- disclosures in respect of capital management.

As the consolidated financial statements of the Centrica plc group (the 'Group'), which are available from its registered office, include the equivalent disclosure, the Company has also taken the exemption under FRS 101 available in respect of the following disclosure:

- certain disclosures required by IFRS 13 'Fair Value Measurement', the disclosures required by IFRS 7 'Financial Instruments: Disclosures' and the certain disclosures required by IFRS 9 'Financial Instruments: Recognition and Measurement' have not been provided.;

Re-presentation of expected credit losses on financial guarantee contracts

In 2022, the Company has presented expected credit losses on financial guarantee contracts of £9,888,000 (2021: £9,341,000) as separate liabilities under the requirements of IFRS 7 'Financial Instruments: Disclosures'. The Company had previously presented them within receivables as amounts owed by Group undertakings and has restated the prior period accordingly, see note 14 and note 16.

Preference share redemption and dividend distribution

Following the sale of Spirit Norwegian asset portfolio on 31 May 2022, Spirit Energy Limited made distribution payments to Company's shareholders of B Ordinary Shares of £303,190,000 (658,964,000 shares at 39.27 pence per share on 22 June and 658,964,000 shares at 6.74 pence per share on 12 December) as disclosed in note 8.

In accordance with the Companies Act 2006, Spirit Energy Limited redeemed 356,456,000 preference shares at an average price of 0.85 pence per preference share, and an aggregate cost of £303,175,000 (304,194,000 shares on 9 June and 52,262,000 on 12 December) as disclosed in note 13.

The redemption of preference share was approved by the Spirit Energy Board on 31 May 2022 and 7 December 2022 and paid on 9 June 2022 and 12 December 2022 respectively.

Measurement convention

The financial statements have been prepared on the historical cost basis except for: investments in subsidiaries that have been recognised at deemed cost on transition to FRS 101. These financial statements are presented in pound sterling (with all values rounded to the nearest thousand (pounds £'000s) except when otherwise indicated), which is also the functional currency of the Company. Operations and transactions conducted in currencies other than the functional currency are translated in accordance with the foreign currencies accounting policies.

Exemption from preparing group accounts

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate controlling company, Centrica plc.

Going concern

The Directors have received confirmation that provided the Company remains part of the Group, Centrica plc will support the Company for at least one year after the financial statements were authorised for issue and that amounts owed to Group undertakings will not be required to be repaid for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

The Directors have updated their Group going concern assessment as at 30 June 2023. The going concern assessment has included stress-testing cash forecasts for different scenarios including reasonably possible increases/ decreases in commodity prices and evaluating risk scenarios for reasonably possible combinations of risks, the largest of which is the increased margin outflows in the trading and upstream businesses. Risks considered also include the impact of significant adverse weather events, increased bad debt charges due to the cost of living crisis, the risk of financial loss due to counterparty default and production falls in the Group's upstream business. The Group has established enhanced processes in the trading business and in respect of upstream to plan for and manage possible increases in margin cash requirements. The Group undrawn committed facilities as at 30 June 2023 were £3.8 billion in addition to Group unrestricted cash and cash equivalents of £5.9 billion. The level of undrawn committed bank facilities and available cash resources has enabled the Directors to conclude that there are no material uncertainties relating to going concern. As a result, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

On the basis of the enquiries made, and the fact that Centrica plc, the ultimate parent company, has confirmed it will continue to support the Company, the Directors have concluded that the Company should be able to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Finance costs

Interest expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Where a specific financing arrangement is in place, the specific borrowing rate for that arrangement is applied. For non-specific financing arrangements, a borrowing rate representative of the weighted average borrowing rate is used. Financing costs not arising in connection with the acquisition, construction or production of a qualifying asset are expensed.

Other income

Property costs are incurred and recharged to Group companies on an accruals basis. The recharge of property costs to Group companies is allocated based on direct occupation of the building.

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Dividend income

Dividend income is recognised when the right to receive payment is established.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. To ensure the business performance reflects the underlying results of the Company, these exceptional items are disclosed separately in the income statement. Items which may be considered exceptional in nature include disposals of businesses, business restructurings, significant onerous contract charges and asset write-downs/impairments.

Foreign currencies

Transactions in foreign currencies are, on initial recognition, recorded in the functional currency of the Company at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency of the Company at the rates prevailing at the reporting date, and associated gains and losses are recognised in the Income Statement for the year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income' or 'finance costs'. All other foreign exchange gains and losses are presented in the Income Statement in the respective financial line item to which they relate.

Changes in the fair value of foreign currency denominated monetary securities classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in a currency other than the functional currency of the Company are translated using the exchange rate prevailing at the dates of the initial transaction and are not retranslated. Non-monetary items measured at fair value in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured.

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 substantively enacted by the reporting date. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in equity. In this case, the tax is recognised in equity.

Deferred tax is recognised in respect of all temporary differences identified at the reporting date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if impairment of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that the deductible temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Leases

Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounting using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Leases payments included in the measurement of the lease liability comprise: fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be payable under a residual value guarantee, and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early. Variable lease payments that do not depend on an index or rate are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, lease-term extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company recognises the lease payments associated with short-term leases (leases expiring within twelve months from commencement) and leases of low value assets (underlying asset value less than £5,000) on a straight-line basis over the lease term.

Property, plant and equipment ('PP&E')

PP&E is included in the Statement of Financial Position at cost, less accumulated depreciation and any provisions for impairment. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Subsequent expenditure in respect of items of PP&E, such as the replacement of major parts, major inspections or overhauls, are capitalised as part of the cost of the related asset where it is probable that future economic benefits will arise as a result of the expenditure and the cost can be reliably measured. All other subsequent expenditure, including the costs of day-to-day servicing, repairs and maintenance, is expensed as incurred.

Freehold land is not depreciated. Other PP&E, with the exception of upstream production assets (for which the 'unit of production method' is used), are depreciated on a straight-line basis at rates sufficient to write off the cost, less estimated residual values, of individual assets over their estimated useful lives.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Depreciation of PP&E

The depreciation periods for the principal categories of assets are as follows:

Asset class	Depreciation method and rate
Freehold and leasehold buildings	Straight line, up to 50 years
Plant	Straight line, between 5 and 20 years
Equipment and vehicles	Straight line, between 3 and 10 years
Dilapidations	Straight line up to 50 years

The carrying values of PP&E are tested annually for impairment and are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Residual values and useful lives are reassessed annually and if necessary changes are accounted for prospectively.

Assets held as right-of-use assets are depreciated over their expected useful lives on the same basis as for owned assets, or where shorter, the lease term.

Dilapidations

Provision is made for the net present value of the estimated cost of dilapidations at the end of the lease properties' useful life.

When this provision relates to an asset with sufficient future economic benefits, a dilapidations asset is recognised and included as part of the associated Property, Plant and Equipment ("PP&E") and depreciated accordingly. If there is an indication that the carrying amount of the asset is not fully recoverable, the asset is tested for impairment and an impairment loss is recognised where necessary. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding dilapidations asset included PP&E. The unwinding of the discount on the provision is included in the Income Statement within finance costs.

Investments in subsidiaries

Fixed asset investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, that can be measured reliably, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Where discounting is used, the increase in the provision due to the passage of time is recognised in the Income Statement within interest expense.

Onerous contract provisions are recognised where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs of disposal. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss in respect of goodwill shall not be reversed in a subsequent period. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

The Company provides for impairments of financial assets when there is objective evidence of impairment as a result of events that impact the estimated future cash flows of the financial assets.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Company no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

- Trade and other receivables

Trade receivables are initially recognised at fair value, which is usually the original invoice amount, and are subsequently held at amortised cost using the effective interest ("EIR") method less an allowance for expected credit losses. Balances are written off when recoverability is assessed as being remote. If collection is due in one year or less, receivables are classified as current assets. If not they are presented as non-current assets.

- Trade and other payables

Trade payables are initially recognised at fair value, which is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method (although, in practice, the discount is often immaterial). If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

- Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are re-acquired (treasury or own shares) are deducted from equity. No gain or loss is recognised in the Company's Income Statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

- Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

- Interest-bearing loans and other borrowings

All interest-bearing (and interest-free) loans and other borrowings with banks or and similar institutions and inter-company entities are initially recognised at fair value net of directly attributable transaction costs (if any, in respect of inter-company funding).

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the Directors' opinion there are no key sources of critical accounting judgements at the reporting date.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investments in subsidiaries and associates and joint ventures

A key source of estimation uncertainty of the Company is the valuation of its investments in subsidiary undertakings, associates and joint ventures. The judgement around investments that are not considered to be impaired is supported by the investment review process. Where the Company determines that an investment is impaired, the recoverable amount of the investment is estimated with reference to the fair value or value in use of the investment, as detailed in the accounting policy note.

The impairment review process conducted at 31 December 2022, identified that the carrying value of some investments were not fully supported by reference to the fair value of the underlying assets and were cumulatively impaired by £2,936,022,000 (2021: £3,470,218,000) as disclosed in note 13. As a result, a net impairment reversal of £534,196,000 (2021: £1,031,126,000) was recognised during the year as disclosed in note 7(iv).

Credit provisions for inter-company receivables

The review of inter-company receivables for the provision for credit losses is performed on an annual basis and is based on an expected credit loss model that calculates any expected loss applicable to the receivable balance. The model takes into account whether the receivable is repayable on demand and the probability of default by the related party. Based on the annual impairment review conducted at 31 December 2022, there was a net provision reversal for expected credit losses of £12,000,000 (2021: £11,803,000 provision charge) as disclosed in note 7(v). This was primarily due to the settlement of loan receivable from ENER-G UK Power2 in 2023.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2022	2021
	£ 000	£ 000
Other income	44,408	48,871

Other operating income substantially represents fees charged to Group companies to recover the costs of the Group's property portfolio. These charges are allocated based on the occupation of the properties for which these costs are incurred.

5 Analysis of costs by nature

	2022	2021
	Operating costs	Operating costs
	£ 000	£ 000
Depreciation ⁽ⁱ⁾	(15,534)	(18,962)
Facilities and property costs ⁽ⁱⁱ⁾	(10,617)	(11,179)
Other operating costs ⁽ⁱⁱⁱ⁾	(41,690)	(13,474)
Total costs by nature	(67,841)	(43,615)

⁽ⁱ⁾ Includes £14,737,300 (2021: £16,987,000) depreciation on right-of-use assets recognised under IFRS16.

⁽ⁱⁱ⁾ Excludes depreciation costs. Includes rent, rates and service charge recharges.

⁽ⁱⁱⁱ⁾ Other operating costs comprise recharges from other Group companies and legal and professional fees.

In 2022, there was an uplift in a UTP indemnity provision of £11,700,000 (2021: £nil) due from the Company to Spirit Energy and a true-up of closing position of the recharges by £10,957,000 which the Company no longer owed to Spirit Energy for the site. Also, in 2021, the actual cost was lower by £4,000,000 due to a one-off reduction in the amount of OTIP indemnity regarding historic incentive payments due to Spirit Energy.

6 Employee costs

The Company had no employees during the year (2021: nil).

The Directors were remunerated as employees of the Centrica plc Group and did not receive any remuneration, from any source, specifically for their services as Directors of the Company during the current or preceding financial year.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Exceptional items

The following exceptional items were recognised in arriving at operating profit for the reporting year:

	2022 £ 000	2021 £ 000
Gain/(loss) on disposal of property, plant and equipment ⁽ⁱ⁾	-	(741)
Exceptional items - other ⁽ⁱⁱ⁾	-	(2,978)
Exceptional items - impairment of property, plant and equipment ⁽ⁱⁱⁱ⁾	(4,302)	(7,102)
Exceptional items - net impairment reversal ^(iv)	534,196	1,031,126
Exceptional items - provision reversal/(charge) for credit losses on financial assets ^(v)	12,000	(11,803)
Exceptional items - (loss)/income on the disposal of investments ^(vi)	(16,244)	11,464
	<u>525,650</u>	<u>1,019,966</u>

⁽ⁱ⁾ Gain/(loss) on disposal of property, plant and equipment relates to the net profit/(loss) on the Group property sites sold during year.

⁽ⁱⁱ⁾ Exceptional items - other relates to the legal and professional costs incurred in 2021 relating to Spirit Norway sale which was completed on 31 May 2022.

⁽ⁱⁱⁱ⁾ Exceptional impairments relates to Group property sites which have been closed during the year.

^(iv) Impairment charges and reversals are analysed below.

Impairment (charges)/reversal of subsidiary undertakings	2022 £ 000	2021 £ 000
Spirit Energy Limited	86,402	421,990
Centrica Lake Limited	(123,140)	798,232
Centrica Business Solutions (UK) Limited	-	(38,400)
Home Assistance UK Limited	-	(1,150)
Centrica Storage Holdings Limited	415,934	(149,546)
Centrica LNG Company Limited	155,000	-
Centrica Finance (Scotland) Limited	-	368,159
	<u>534,196</u>	<u>1,399,285</u>

Majority of write-back on Company's Investment in Spirit Energy Limited was recorded in 2021. This additional write-back of £86,402,000 (£2021: £421,990,000) was predominantly due to continued higher wholesale commodity prices which resulted in a higher achieved price, despite the impact of hedging in 2022.

The impairment charge on Company's investment in Centrica Lake Limited of £123,140,000 (£2021: £798,232,000 write back) is due to the impairment booked in Centrica Lake Limited and the effect of dividend payment made to the Company during the year.

The impairment write-back of Centrica Storage Holdings Limited of £415,934,000 (2021: £149,546,000 impairment charge) is driven from improved cash flows due to the continued increased gas prices and reopening of rough gas storage site in September 2022 along with a considerable receivable due from Centrica plc at year end.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Exceptional items (continued)

The impairment write-back on Company's investment in Centrica LNG Company Limited of £155,000,000 (2021: £nil) is the result of the continued higher valuation of the business in its long term contract with Cheniere.

In 2021, the impairment charge on Company's investment in Centrica Business Solutions (UK) Limited of £38,400,000 was recognised as the recoverable value from the net assets of Group entities combined was less than the carrying value of the investments at year end.

In 2021, the investment with Home Assistance UK Limited of £1,150,000 fully impaired as it went into capital reduction in 2020 so the net assets are nil.

^(v) In 2022, the Company made a net provision reversal of £12,000,000 (2021: 11,803,000) for credit losses on financial assets, the provision relates to the amounts owed from Group undertakings. This was due to settlement of loan receivable from ENER-G UK Power2 in 2023.

^(vi) £14,373,000 of loss on the disposal of investments relates to the legal and professional costs incurred in relation to divestment of Spirit Energy Norwegian assets which was born by the Company as it only holds 69% of the Spirit Energy Limited and didn't directly own the entire portfolio which was sold on 31 May 2022. £1,870,000 of loss on disposal relates to Company's investment in Repair and Care Limited which was written off in readiness of its dissolution on 1 November 2022. £11,464,000 relates to the profit on the sale of the Company's investment in Centrica PB Limited to Whitetover Holdings UK Limited in July 2021.

	2022 £ 000	2021 £ 000
Net (loss)/income on disposal of investments is analysed below:		
Income from sale of investment in Centrica PB Limited	-	11,464
Loss on sale of Investment in Spirit Norwegian assets	(14,374)	-
Loss on sale of investment in Repair and Care Limited	(1,870)	-
	<u>(16,244)</u>	<u>11,464</u>

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Income from shares in Group undertakings

Income from shares in Group undertakings was received from the followings investments:

	2022 £ 000	2021 £000
British Gas Insurance Limited	30,000	49,000
Centrica Overseas Holdings Limited	752,500	-
Centrica Energy Limited	300,000	-
Centrica Lake Limited	121,000	-
Centrica Upstream Investment Limited	241	-
Centrica Storage Holdings Limited	-	315,000
Spirit Energy Limited ⁽ⁱ⁾	303,190	-
Gemserv Limited	37	-
Total income from shares in Group undertakings	1,506,968	364,000

⁽ⁱ⁾ During the year, a final dividend of £303,190,000 was received by the shareholders of B ordinary shares in two tranches following the divestment of the Spirit Norway business on 31 May 2022. Refer to note 2 for further details.

9 Net finance cost

Finance income

	2022 £ 000	2021 £ 000
Interest income from amounts owed by Group undertakings	82,849	86,605
Interest income on bank deposits	329	338
Net foreign exchange gains on financing transactions	383	-
Total finance income	83,561	86,943

Finance cost

	2022 £ 000	2021 £ 000
Interest on amounts owed to Group undertakings	(170,333)	(372,826)
Net foreign exchange losses on financing transactions	(2,823)	(1,436)
Other finance costs	(1,122)	(1,372)
Interest expense on leases - Property	(849)	(1,671)
Total finance costs	(175,127)	(377,305)
Net finance cost	(91,566)	(290,362)

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Auditors' remuneration

Auditors' remuneration totalling £16,000 (2021: £15,000) relates to fees for the audit of the Financial Statements of the Company.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the Group financial accounts of its ultimate parent, Centrica plc.

11 Income tax

Tax (charged)/credited in the Income Statement

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax at 19% (2021: 19%)	(328)	(510)
Deferred taxation		
Origination and reversal of temporary differences	(54,255)	(5,882)
Changes in tax rates	(17,133)	21,273
Adjustment in respect of prior period	(10,993)	(11,675)
Total deferred taxation	(82,381)	3,716
Total tax (charge)/credit	(82,709)	3,206

The UK rate of corporation tax for the year ended 31 December 2022 was 19% (2021: 19%). The rate of corporation tax has increased to 25% with effect from 1 April 2023. As at 31 December 2022 the deferred tax balances included in these Financial Statements are based on the enacted rate of corporation tax having regard to their reversal profiles.

The differences between the taxes shown above and the amounts calculated by applying the standard rate of UK corporation tax to the loss before tax are reconciled below:

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Income tax (continued)

	2022 £ 000	2021 £ 000
Profit before tax	1,917,619	1,098,860
Tax on profit at standard UK corporation tax rate of 19% (2021: 19%)	(364,348)	(208,783)
Increase in current tax from adjustment for prior periods	(10,993)	(11,675)
Decrease from effect of income exempt from taxation	390,101	71,338
(Increase)/Decrease from effect of expenses not deductible in determining taxable profit/(loss)	(7,693)	192,244
Increase arising from group relief tax reconciliation	(56,472)	(62,025)
Decrease from transfer pricing adjustments	150	834
Deferred tax credit from unrecognised tax loss	(16,321)	-
(Increase)/Decrease from effect of UK tax rate changes	(17,133)	21,273
Total tax (charge)/credit	(82,709)	3,206

Deferred tax

The movements in respect of the deferred income tax assets and liabilities that occurred during the financial year are as follows:

	Accelerated tax depreciation £000	Loans and other borrowings £000	Other items £000	Total £ 000
1 January 2022	(488)	45,076	44,050	88,638
Prior period adjustments	(555)	21,974	(32,412)	(10,993)
Charged to the Income Statement	643	(67,050)	(4,981)	(71,388)
31 December 2022	(400)	-	6,657	6,257

	Accelerated tax depreciation £000	Loans and other borrowings £000	Other items £000	Total £ 000
1 January 2021	(961)	64,043	21,840	84,922
Charged to the Income Statement	484	5,118	9,789	15,391
Prior period adjustments	(11)	(24,085)	12,421	(11,675)
31 December 2021	(488)	45,076	44,050	88,638

Deferred tax on Loans and other borrowings relates to interest temporarily disallowed under the corporate interest rules.

Certain deferred tax assets and liabilities have been offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following is an analysis of the gross deferred tax balances and associated offsetting balances for financial reporting purposes:

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Income tax (continued)

	2022		2021	
	Assets £ 000	Liabilities £ 000	Assets £ 000	Liabilities £ 000
Gross deferred tax balances crystallising after one year	6,657	(400)	89,126	(488)
	<u>6,657</u>	<u>(400)</u>	<u>89,126</u>	<u>(488)</u>

Unrecognised deferred tax

At the balance sheet date, the Company has unrecognised capital losses of £225,572,877 (2021: £221,210,972) available against future chargeable gains.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Property, plant and equipment

	Land and buildings £ 000	Plant and equipment, fixtures and fittings £ 000	Total £ 000
Cost			
At 1 January 2022	178,333	36,574	214,907
Lease modifications and re-measurements	(3,387)	-	(3,387)
Additions	1,264	-	1,264
Disposals and surrenders	(23,168)	-	(23,168)
At 31 December 2022	153,042	36,574	189,616
Accumulated depreciation and impairment			
At 1 January 2022	(103,686)	(33,983)	(137,669)
Charge for the year	(14,050)	(1,484)	(15,534)
Disposals and surrenders	23,133	-	23,133
Impairment	(4,302)	-	(4,302)
At 31 December 2022	(98,905)	(35,467)	(134,372)
Net book value			
At 31 December 2022	54,137	1,107	55,244
At 31 December 2021	74,647	2,591	77,238

Land and Buildings at 31 December 2022 reflect right-of-use assets with a net book value of £52,677,000 (2021: £73,093,000) which are recognised in accordance with IFRS 16. Additions in the year amounted to £1,264,000 (2021: £2,548,000) and depreciation including impairment to £19,039,000 (2021: £24,090,000). The cost of right-of-use property assets are periodically revalued when lease valuations are reassessed. The impairments of £4,302,000 (2021: £7,102,000) are recognised due to worsening sub-let assumptions (lower recoverable amount) provided by the bank.

Included within the net book value of land and buildings above is £1,460,000 (2021: £1,554,000) in respect of freehold land and buildings.

13 Investments

Fixed asset investments	£ 000
Cost or valuation	
At 1 January 2021	12,333,180
Adjustment to cost ⁽ⁱ⁾	3,560
At 31 December 2021	12,336,740

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Fixed asset investments	£ 000
At 1 January 2022	12,336,740
Additions ⁽ⁱⁱ⁾	1,870
Adjustment to cost ⁽ⁱⁱⁱ⁾	(22,555)
Disposals ^(iv)	(1,870)
Return of capital ^(v)	(303,175)
At 31 December 2022	<u>12,011,010</u>
Provision	
At 1 January 2021	(4,501,345)
Impairments reversed in the year ^(vi)	1,031,127
At 31 December 2021	<u>(3,470,218)</u>
At 1 January 2022	(3,470,218)
Net impairment reversal in the year ^(vi)	534,196
At 31 December 2022	<u>(2,936,022)</u>
Net book value	
At 31 December 2022	<u>9,074,988</u>
At 31 December 2021	<u>8,866,522</u>

⁽ⁱ⁾ During 2021, the Company's investment in Spirit Energy Limited was increased by £3,560,000 as a result of a increase in the estimate of decommissioning costs.

^{(ii) (iv)} On 22 April 2022, The Company's receivable of £1,870,364 from its wholly owned subsidiary, Repair and Care Limited was settled by a capital injection. On 21 July 2022, this additional investment of £1,870,365 was written off prior to the dissolution of Repair and Care Limited on 1 November 2022.

⁽ⁱⁱⁱ⁾ The Company's investment in Spirit Energy Limited was reduced by £22,555,000 as a result of a reduction in the estimate of decommissioning costs.

^(v) During the year, there was a Preference Share redemption by Spirit Energy Limited of £303,175,000 in two tranches (June and December). Refer to note 2 for further details.

^(vi) Investment impairment (charges)/reversals are listed in note 7 (iv).

Revaluation of investments

In accordance with section 841 of the Companies Act 2006, the Directors have considered the value of the fixed asset investments of the Company without actually revaluing them and are satisfied that the aggregate value of those assets at the reporting date was not less than the aggregate amount (before impairment) at which they were then stated in the Company's financial statements. In accordance with sub section 4(b) of section 841 of the Companies Act 2006, a cumulative impairment charge of £2,369,631,000 (2021: £2,903,827,000) is not classified as a realised loss.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Details of the investments as at 31 December 2022 are as follows:

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Accord Energy (Trading) Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Alertme.com GmbH	In liquidation	Thomas-Wimmer-Ring 1-3, 80539, Munich, Germany Germany	Ordinary shares	100%	100%
Bord Energy Limited	Gáis Energy supply and power generation	1 Warrington Place, Dublin 2, Republic of Ireland Republic of Ireland	Ordinary shares	100%	100%
Bord Energy DAC (Designated Activity Company)	Gáis Pension Trustees company	1 Warrington Place, Dublin 2, Republic of Ireland Republic of Ireland	Ordinary shares	100%	100%
British Energy Procurement Limited (i) (ii)*	Gas Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Finance Limited*	Gas Vehicle leasing	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Insurance Limited*	Gas Insurance provision	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Limited (i)	Gas Energy supply	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
British Gas New Heating Limited*	Electrical and gas installations	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Services (Commercial) Limited*	Gas Servicing installation and heating systems	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Services Limited*	Gas Home services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Social Limited	Gas Servicing installation and heating systems	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Gas Solar Limited (ii)	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Trading Limited*	Gas Energy supply	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
British Gas Limited	X Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Caythorpe Storage Limited	Gas Gas storage	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom United Kingdom	Ordinary shares	100%	100%
CBS Assets B.V. (iii)	Energy Construction of battery storage	Roderveldlaan 2 bus 2, 2600 Antwerp, Belgium Belgium	Ordinary shares	100%	0%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
CBS Solar Assets UK Limited (i)	Building solar farm & connecting to grid	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica (Lincs) Wind Farm Limited	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Limited*	Barry Power generation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Limited*	Brigg Construction of battery storage	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions (Generation) Limited	Power generation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions B.V.	Energy management products and services	Wiegerbruinlaan 2A, 1422 CB Uithoorn, Netherlands Netherlands	Ordinary shares	100%	100%
Centrica Business Solutions Belgium NV	Demand response aggregation	Roderveldlaan 2 bus 2, 2600 Antwerp, Belgium Belgium	Ordinary shares	100%	100%
Centrica Business Solutions Canada Inc.	Energy management products and services	550 Burrard Street, Suite 2900, Vancouver BC V6C 0A3, Canada Canada	Ordinary shares	100%	100%
Centrica Business Solutions Deutschland GmbH	Demand response aggregation	Neuer Wall 10, 20354 Hamburg, Germany Germany	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica Business Solutions France SASU	Demand response aggregation	60 Avenue Charles de Gaulle, Cs 60016, 92573, Neuilly sur Seine Cedex, France France	Ordinary shares	100%	100%
Centrica Business Solutions International Limited	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions Ireland Limited	Energy management products and services	1 Warrington Place, Dublin 2, Republic of Ireland Republic of Ireland	Ordinary shares	100%	100%
Centrica Business Solutions Italia Srl	Energy management products and services	Milan (MI), Via Emilio Cornalia 26, Italy Italy	Ordinary shares	100%	100%
Centrica Business Solutions Management Limited*	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions Romania Srl	Energy management products and services	Strada Martir Colonel Ioan Uță nr.28 camera 1, Municipiul Timisoara judet Timis, Romania Romania	Ordinary shares	100%	100%
Centrica Business Solutions UK Limited	Energy management products and services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions UK Optimisation Limited	Demand response aggregation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions Zrt	Energy management products and services	H-1106 Budapest Jászberényi út 24-36, Hungary Hungary	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica Combined Common Investment Fund Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Directors Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Distributed Generation Limited*	Power generation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Energy (Trading) Limited	In liquidation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Energy Limited*	Wholesale trading	energy Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Energy Marketing Limited*	Wholesale trading	energy Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Energy Operations Limited (ii)*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Renewable Investments Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Energy Trading A/S	Energy services and wholesale trading	energy Skelagervej 1, 9000 Aalborg, Denmark Denmark	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica Energy Trading GmbH (iv)	Energy services and wholesale energy trading	Esplanade 40, 20354 Hamburg, Germany	Ordinary shares	100%	100%
Centrica Energy Trading Pte. Ltd	Energy services and wholesale energy trading	220 Orchard Road, #05-01 Midpoint Orchard, Singapore 238852, Republic of Singapore	Ordinary shares	100%	100%
Centrica Engineers Pension Trustees Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Finance (Canada) Limited (ii)	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Finance (Scotland) Limited*	Holding company	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
Centrica Finance Investments Limited*	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Finance Norway Limited	Dormant	47 Esplanade, St Helier, JE1 0BD, Jersey, Channel Islands Jersey	Ordinary shares	100%	100%
Centrica Gamma Holdings Limited	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Limited*	Hive Energy products and services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica Hive Srl	Energy management products and services	Via Paleocapa Pietro 4, 20121, Milano, Italy	Ordinary shares	100%	100%
Centrica Ignite GP Limited*	Investment company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Ignite LP Limited*	Investment company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica India Offshore Private Limited	Business services	G-74, LGF, Kalkaji, New Delhi, South Delhi, 110019, India	Ordinary shares	100%	100%
Centrica Infrastructure Limited (ii)*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
Centrica Innovations UK Limited*	Investment company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Insurance Company Limited*	Insurance provision	3rd floor, St George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man	Ordinary and preference shares	100%	100%
Centrica Limited*	KPS Power generation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Limited*	Lake Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica (KL) (ii)*	Leasing Limited	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100% 100%
Centrica Company Limited*	LNG	LNG Trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100% 100%
Centrica UK Limited*	LNG	LNG Trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100% 100%
Centrica Nederland B.V.		Holding company	Wiegerbruinlaan 2A, 1422 CB Uithoorn, Netherlands	Ordinary shares	100% 100%
Centrica Nominees Limited*		Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100% 100%
Centrica Offshore Limited	Gas and/or exploration and production	UK	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom	Ordinary shares	100% 100%
Centrica Onshore Processing Limited	UK	Dormant	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom	Ordinary shares	100% 100%
Centrica Overseas Holdings Limited*		Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100% 100%
Centrica Pension Plan Trustees Limited*		Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Limited by guarantee	100% 100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica Pension Trustees Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Production Limited*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Resources (UK) Limited (ii)*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Resources Petroleum UK Limited (ii)*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Secretaries Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Services Limited*	Business services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Holdings Limited*	Storage Holding company	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Limited	Storage Gas production and processing	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom United Kingdom	Ordinary shares	100%	100%
Centrica Titan Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica Trinidad and Tobago Limited	Business services	48-50 Sackville Street, Port of Spain, Trinidad and Tobago	Ordinary shares	100%	100%
Centrica Trust (No.1) Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Upstream Investment Limited (ii)*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
Centrica Trading Limited (i)*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
CIUI Limited (ii)*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
DEML Investments Limited	Holding company	550 Burrard Street, Suite 2900, Vancouver BC V6C 0A3, Canada	Ordinary shares	100%	100%
DER Development No. 10 Ltd.	Holding company	550 Burrard Street, Suite 2900, Vancouver BC V6C 0A3, Canada	Ordinary shares	100%	100%
Distributed Energy Customer Solutions Limited	Energy management products and services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Dyno-Rod Limited	Operation of a franchise network	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
ECL Contracts Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
ECL Investments Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Electricity Direct (UK) Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
ENER-G Cogen International Limited*	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
ENER-G Nagykanizsa Kft	Energy management products and services	H-1106 Budapest Jászberényi út 24-36, Hungary Hungary	Ordinary shares	100%	100%
ENER-G Power2 Limited	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Energy Tomorrow*	For Not-for-profit energy services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Limited by guarantee	100%	100%
Generation Green Solar Limited*	Dormant community benefit society	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
GF One Limited (v)	In liquidation	1 More London Place, London, SE1 2AF, United Kingdom United Kingdom	Ordinary shares	75%	75%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
GF Two Limited (v)*	In liquidation	1 More London Place, London, SE1 2AF, United Kingdom United Kingdom	Ordinary shares	75%	75%
Goldbrand Development Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Home Assistance UK Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Neas Limited	Energy services and wholesale energy trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Neas Invest A/S	Dormant	Skelagervej 1, 9000 Aalborg, Denmark Denmark	Ordinary shares	100%	100%
North Sea Infrastructure Partners Limited (ii)*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom United Kingdom	Ordinary shares	100%	100%
NSIP (Holdings) Limited (ii)*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom United Kingdom	Ordinary shares	100%	100%
P.H Jones Group Limited	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Panoramic Power Ltd.	Energy management products and services	15 Atir Yeda Street, Kfar Saba, 44643, Israel Israel	Ordinary shares	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Pioneer Shipping Limited*	LNG chartering vessel	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
PRP (Dycè) Limited (iii)	Battery Non-trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	0%
Solar Technologies Group Limited (ii)	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Spirit Norway Holdings AS	Dormant	Lilleakerveien 8, 0283 Oslo, Norway Norway	Ordinary shares	69%	69%
Spirit Nederland B.V.	Energy Gas and/or exploration production	liquid and Transpolis Building, Polarisavenue 39, 2132 JH Hoofddorp, Netherlands Netherlands	Ordinary Shares	69%	69%
Spirit Norway AS	Energy Gas and/or exploration production	liquid and Veritasvæn 29, 4007 Stavanger, Norway Norway	Ordinary shares	69%	69%
Spirit Infrastructure B.V.	Construction, ownership exploitation infrastructure	and Transpolis Building, Polarisavenue 39, 2132 JH Hoofddorp, Netherlands Netherlands	Ordinary shares	69%	69%
Bowland Resources (No.2) Limited	Gas and/or exploration production	liquid and 1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom United Kingdom	Ordinary shares	69%	69%
Spirit Hedging Limited	Energy Holding Dormant	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom United Kingdom	Ordinary shares	69%	69%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Spirit Energy Hedging Limited	Dormant	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Bowland Resources Limited	Gas and/or exploration and production	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Elswick Limited	Energy Gas and/or exploration and production	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit Limited*	Energy Holding company	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary and deferred shares	69%	69%
Spirit North Limited	Energy Sea Gas and/or exploration and production	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit North Limited	Energy Sea Oil Gas and/or exploration and production	5th floor, IQ Building, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom	Ordinary shares	69%	69%
Spirit Production Limited	Energy UK Gas and/or exploration and production	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit Resources Limited	Energy Gas and/or exploration and production	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit Southern Sea Limited	Energy North Gas and/or exploration and production	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Spirit Energy Treasury Limited	Finance company	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit Europe Limited	Holding company	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit North Sea Gas Limited	Gas and/or exploration and production	5th floor, IQ Building, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom	Ordinary shares	69%	69%
Spirit Norway Limited	Gas and/or exploration and production	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit Production (Services) Limited	Business services	5th floor, IQ Building, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom	Ordinary shares	69%	69%
Spirit Resources (Armada) Limited	Gas and/or exploration and production	1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
CF 2016 LLP	Group financing	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Membership interest	100%	100%
CFCEPS LLP	Group financing	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Membership interest	100%	100%
CFCPP LLP	Group financing	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Membership interest	100%	100%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Repair and Care Limited (vi)	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Ordinary shares	100%	100%
Direct Energy Resources Partnership	Holding entity	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada Canada	Membership interest	100%	100%
Finance Scotland 2016 Limited Partnership	Group financing	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom United Kingdom	Membership interest	100%	100%
Finance Scotland CEPS Limited Partnership	Group financing	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom United Kingdom	Membership interest	100%	100%
Finance Scotland CPP Limited Partnership	Group financing	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom United Kingdom	Membership interest	100%	100%
Ignite Enterprise LP	Social enterprise investment fund	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom United Kingdom	Membership interest	100%	100%
Eurowind Polska VI Sp z o.o.	Operation of an onshore windfarm	Ul. Wysogotowska 23, 62-081 Przemierowo, Wielkopolskie, Poland Poland	Ordinary shares	50%	50%
Greener Ideas Limited	Development of flexible power generation sites	1 Warrington Place, Dublin 2, Republic of Ireland Republic of Ireland	Ordinary shares	50%	50%
Vindpark Keblowo ApS	Operation of an onshore windfarm	Mariagervej 58B, DK 9500 Hobro, Denmark Denmark	Ordinary shares	50%	50%

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Lake Acquisitions Limited	Holding company	90 Whitfield Street, London, W1T 4EZ, United Kingdom	Ordinary shares	20%	20%

* indicates direct investment of the Company.

(i) The following name changes were made during the year:

- British Gas Limited to British Gas Energy Procurement Limited
- British Gas Energy Procurement Limited to British Gas Limited
- Pennings Power Limited to CBS Solar Assets UK Limited
- CH4 Energy Limited to Centrica Trading Limited

(ii) Active proposal to strike off.

(iii) Entity incorporated or acquired year.

(iv) Centrica Energy Trading GmbH changed its registered address during the year from Gustav-Mahler-Platz 1, 20354 Hamburg, Germany to the address listed above.

(v) GF One Limited and GF Two Limited are 75% indirectly owned by Centrica plc.

(vi) Acquired 1,870,364 ordinary shares of £1.00 on 22 April 2022 from Repair and Care Limited in settlement of its loan balance with the Company. All of the shares were subsequently disposed off on 21 July 2022 prior to the dissolution of Repair and Care Limited on 1 November 2022.

14 Trade and other receivables

	2022		2021	
			(As restated)	
	Current £ 000 (i)	Non-current £ 000 (ii)	Current £ 000 (i)	Non-current £ 000 (ii)
Amounts owed by Group undertakings ⁽ⁱⁱⁱ⁾	42,450	1,597,498	2,304	1,557,514
Prepayments	7,132	-	4,135	-
Other receivables ^(iv)	1,307	32,263	2,940	32,263
	<u>50,889</u>	<u>1,629,761</u>	<u>9,379</u>	<u>1,589,777</u>

(i) Current amounts owed by ENER-G UK Power2 Limited of £40,417,000 (2021: £39,825,000 Non-current) bear interest at a rate set by Group Treasury and based on the Group cost of funds, payable annually in arrears and are unsecured and repayable on 31 December 2022. The interest rates range between 0.35% and 2.72% (2021: 3.61% and 4.23%). The amount is expected to be settled within a period of twelve months from the reporting date and therefore, reclassified to current receivables at year end.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Trade and other receivables (continued)

(i) Current amounts owed by Ignite Social Enterprise LP of £9,411,000 (2021: £8,329,000 Non-current) accrue interest at 3.25% above Barclays base rate, are unsecured and repayable on demand. This balance has been fully provided against in this year and last year however, is expected to be settled within a period of twelve months from the reporting date and therefore, reclassified to current receivables at year end.

(i)&(ii) Amounts owed by Group undertakings totalling £86,805,000 (2021: £18,930,000) are not interest bearing, are unsecured and repayable on demand. This comprised of £85,570,000 (2021: £18,761,000) relating to non-current receivables and £1,235,000 (2021: £169,000) relating to current receivables. In 2022, the uplift in the non-current balance reflects the gross-up of £66,915,000 which was presented within non interest-bearing amounts owed to Group undertakings on a net basis in note 16.

(i)&(ii) Amounts owed by Group undertakings include credit loss provisions of £17,734,000 (Restated 2021: £29,631,000). The credit loss provision is comprised of £8,291,000 (Restated 2021: £29,600,000) relating to non-current receivables and £9,442,000 (2021: £31,000) relating to current receivables.

(i)&(ii) Interest balances of £1,048,000 (2021: £2,365,000) are interest free out of which £219,000 (2021: £199,000) is non-current interest balance and £829,000 (2021: £2,166,000) is current interest balance.

(ii) Non-current amounts owed by Centrica Holdings Limited of £1,520,000,000 (2021: £1,520,000,000) bear interest at a fixed amount of 5% (£76,000,000) (2021: £76,000,000) payable monthly in arrears and are unsecured and repayable on 8 January 2030.

(iii) The prior year has been restated to reclassify £9,341,000 of expected credit losses on financial guarantee contracts from non-current receivables owed by Group undertakings to non-current payables and shown as a separate liability. See note 2 for further details.

(iv) Other receivables include amounts receivable of £32,263,000 (2021: £32,263,000) (non current) from GF Two Limited in respect of final distribution on Goldfish bank closure, £1,054,000 (2021: £2,510,000) (current) of VAT debtors, £253,000 (2021: £310,000) (current) in relation to other debtors, and £nil (2021: £120,000) (current) in respect of property leases which have been sub-let.

15 Loans and borrowings

	31 December 2022 £ 000	31 December 2021 £ 000
Non-current loans and borrowings		
Lease liabilities	(49,323)	(70,673)
	<u>(49,323)</u>	<u>(70,673)</u>
	31 December 2022 £ 000	31 December 2021 £ 000
Current loans and borrowings		
Lease liabilities	(17,122)	(21,166)
	<u>(17,122)</u>	<u>(21,166)</u>

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Loans and borrowings (continued)

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	31 December 2022 £ 000	31 December 2021 £ 000
Less than one year	17,277	21,235
2 years	13,246	17,609
3 years	10,914	15,573
4 years	8,039	13,035
5 years	6,340	9,953
6 years	15,724	22,923
Total lease liabilities (undiscounted)	71,540	100,328

Future finance charges are expected to be £5,094,957 (2021 - £8,489,254).

The average lease term is 28 years (2021: 30 years) including lease term on Stockport freehold with Peppercorn rent of 994 years. Excluding Stockport, the average lease term is 14 years (2021: 14 years).

16 Trade and other payables

	2022		2021 (As restated)	
	Current £ 000 (i)	Non-current £ 000 (ii)	Current £ 000 (i)	Non-current £ 000 (ii)
Accrued expenses	(1,557)	-	(585)	-
Amounts owed to Group undertakings	(7,140,703)	(1,593,140)	(7,179,993)	(1,679,106)
Loss on financial guarantee contracts ⁽ⁱⁱⁱ⁾	-	(9,888)	-	(9,341)
Other payables ^(iv)	(22,897)	(31,286)	(18,281)	(31,286)
	<u>(7,165,157)</u>	<u>(1,634,314)</u>	<u>(7,198,859)</u>	<u>(1,719,733)</u>

(i) Amounts owed to Centrica Plc, Centrica Holdings Limited, Centrica Overseas Holdings Limited and Centrica Beta Holdings Limited of £6,778,554,000 (2021: £6,731,213,000) accrue interest at a rate set by Group Treasury and based on the Group's cost of funds, are unsecured, repayable on demand with interest paid monthly. The interest rates ranged between 0.35% and 2.72% (2021: 3.61% and 4.23%).

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

16 Trade and other payables (continued)

(i) Amounts owed to Group undertakings include £10,775,000 (2021: £167,451,000) which is interest free, unsecured and is repayable on demand. During the year, the balance was reduced largely due to the loan repayment of £145,550,000 to CFCPP LLP, loan settlement of £40,977,000 with Centrica Lake Limited and a reclassification of £58,320,000 current receivable balance with CFCEPS LLP to non-current receivable which was offset with an increase in other balances including a gross-up of £66,915,000 receivable balance to non-current amounts owed by Group undertakings in note 14, a true up of £10,072,000 relating to Spirit Energy recharges as outlined in note 5, a reclassification of £6,900,000 receivable balance to current contingent consideration payable balance and an effect of tax settlement of £3,171,000 in 2022.

(i) Amounts owed to Group undertakings include CAD nil (£nil) (2021: CAD 147,669,000 (£86,193,000)) as fully settled in 2022 and is interest free, unsecured and repayable on demand.

(i) Amounts owed to Group undertakings totalling £247,262,000 (2021: £91,376,000) are not interest bearing, are unsecured and repayable on demand out of which £nil (2021: £72,773,000) relates to the Group relief settlement, £nil (2021: £4,383,000) relates to British Gas Insurance Limited tax payment and £247,262,000 (2021: £14,220,000) relates to other non interest bearing treasury transactions mainly representing the total loan repayment of £241,430,000 to CFCPP LLP in 2022 (2021: £nil).

(i) Current Contingent consideration balances owed to a Group company amounting to £104,112,000 (2021: £103,760,000) are repayable quarterly through to March 2023 and are subject to annual revision in instalments and total amounts payable.

(ii) Contingent consideration balances which are non-current amount to £nil (2021: £48,406,000) as expected to be settled in 2023.

Both current and non current Contingent consideration balances relate to indemnities due from the Company to Spirit Energy to cover the deferred consideration relating to decommissioning and UTP indemnity.

(ii) Non-current amounts owed to Group undertakings of £1,593,140,000 (2021: £1,630,700,000) including £58,320,000 reclassified from current amounts are payable in tranches over periods of between 3 to 14 years and accrue interest at a fixed rate of 7%. Interest is payable annually in arrears. The balance was reduced due to the loan repayment of £95,880,000 to CFCPP LLP on 31 December 2022.

(iii) The prior year has been restated to reclassify £9,341,000 of expected credit losses on financial guarantee contracts from current receivables owed by Group undertakings to current payables and shown as a separate liability. See note 2 for further details.

(iv) Other payables include amounts payable of £31,286,000 (2021: £31,286,000) to GF Two Limited (grossed up with expected distribution in other receivables) are classified as non-current liabilities, £22,659,000 (2021: £17,209,000) (current) relating to other creditors and £nil (2021: £1,073,000) (current) of carbon liability relating to Peterborough site as settled in 2022.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

17 Provisions for other liabilities and charges

	Other provisions £ 000	Total £ 000
At 1 January 2022	(26,008)	(26,008)
Charged to the Income Statement	(832)	(832)
Unused provision reversed to the Income Statement	635	635
Provisions used	4,607	4,607
Transfers	129	129
At 31 December 2022	(21,469)	(21,469)
Non-current liabilities	(18,156)	(18,156)
Current liabilities	(3,313)	(3,313)

Materially all provisions are financial liabilities.

Restructuring

Restructuring provisions charged arise on properties closed during the year as detailed on page 3 in Strategic Report, relate to onerous leases in respect of sub-let properties, and are calculated as the lower of the difference between rental costs and sub-let income over the remainder of the leases and the expected cost to surrender those leases.

Other provisions

Other provisions arise on recognising end of lease dilapidations.

18 Capital and reserves

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	1,473,000	1,473,000	1,473,000	1,473,000

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Share premium

Consideration transferred in excess of the nominal value of ordinary shares is allocated to share premium.

Retained earnings

The balance classified as retained earnings includes the profits and losses realised by the Company in previous periods that were not distributed to the shareholders of the Company at the reporting date.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Dividends

On 22 December 2022, the Company paid an interim dividend of £1,500,000,000 (2021: £nil) to its immediate parent undertaking, Centrica Holdings Limited. The Company has made its distribution from profits and qualifying consideration (in the form of inter-company receivable balances) arising from the receipt of the dividends to the value of £1,506,690,000 from its subsidiary undertakings as disclosed in note 8. It should also be noted that dividends received during 2021 of £49,000,000 and £315,000,000 from British Gas Insurance Limited and Centrica Storage Holdings Limited were also available to be included in the qualifying consideration as the Company did not pay a dividend in 2021.

The Directors do not recommend the payment of a final dividend (2021: £nil).

20 Commitments and contingencies

At 31 December 2022, the Company had provided guarantees up to a maximum of £192,967,000 (2021: £178,183,000) to various counter-parties primarily in relation to the wholesale energy procurement activities of its subsidiaries. At the year end the exposure was £ 124,218,000 (2021: £131,347,000).

At 31 December 2022, the Company had provided guarantees to its direct subsidiary, British Gas Trading Limited, in respect of any obligations, commitments, undertakings, warranties or indemnities arising under energy purchase agreements within British Gas Limited (Formerly known as British Gas Energy Procurement Limited) and Centrica Energy Management Limited. The total potential exposure at year end in respect of these guarantees was £1,000,000,000 (2021: £1,000,000,000), however the actual exposure at year end was £534,000,000 (2021: £1,000,000,000).

21 Related party transactions

During the year the Company charged for various Group services and received income of £19,136,000 (2021: £18,856,000) from the Spirit Energy group of companies, of which the Company owns 69%.

The associated balances and other transactions are as follows:

	2022	2021
	Joint Venture	Joint Venture
	£ 000	£ 000
Deferred Consideration payable	(104,112)	(152,164)
Amounts owed by related parties	1,987	25,899
Amounts owed to related parties	(5,056)	(3,717)
	<u>(107,181)</u>	<u>(129,982)</u>

No provision for bad or doubtful debts owed by related parties was required (2021: £nil).

22 Parent and ultimate parent undertaking

The immediate parent undertaking is Centrica Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking 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.

GB Gas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

22 Parent and ultimate parent undertaking (continued)

The parent of the largest group in which these financial statements are consolidated is Centrica plc.

The address of Centrica plc is:

Millstream
Maidenhead Road
Windsor
SL4 5GD
United Kingdom

The above is the smallest group in which these financial statements are consolidated.

23 Non adjusting events after the financial period

On 24 January 2023, the Company sold its 15.72% of external investment in Gemserv Limited of £36,000 for a total consideration of £1,561,000 subsequent to a dividend of £819,000 being received on the same day. The investment securities were revalued by £1,525,000 to its consideration through income statement prior to its disposal. Both gain on disposal of investment and dividend receipt will be reflected in 2023 Financial Statements.