

Registration number: 03186121

# GB Gas Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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## **GB Gas Holdings Limited**

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## **GB Gas Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2020**

The Directors present their Strategic Report for GB Gas Holdings Limited (the 'Company') for the year ended 31 December 2020.

#### **Principal activity**

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

#### **Section 172 Statement**

In promoting the success of the Company, the Directors must also consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act. This Section 172 Statement describes how the Directors have taken into account wider stakeholders in their decision making and also the principal decisions taken during the year. Whilst the Company is an independent subsidiary of Centrica plc, the Company activity supports 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 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. The Board has a clear framework for determining the matters within its remit. Day to day authority is delegated to executives and the Directors engage with management in setting, approving and overseeing execution of the business strategy and related policies. The executives consider the Company's activities, such as review 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 (f) 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 Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances. For example, in light of the uncertainty arising from the COVID pandemic and considering the profits of the Company available for distribution, the Directors sought additional assurance prior to making decisions with regards to payment of dividends. Dividend decisions were made taking into full consideration the need to ensure the long-term sustainability of the business for its stakeholders therefore an interim dividend only was declared and paid.

##### **(b) The interests of the company's employees**

Although the Directors recognise that employees within the Group are fundamental to the future growth and success of Centrica, the company has no direct employees therefore the consideration of the interests of the Company's employees has not applied to the decisions made by the Directors.

##### **(c) The need to foster the company's business relationships with suppliers, customers and others**

The Directors recognise the benefits of engaging with a broad range of stakeholders and developing and delivering our strategy depends on building and maintaining constructive relationships across them all.

As the principal activity of the Company is to act as a holding company, its stakeholders during the period include other Centrica Group companies and as such the breadth of stakeholder considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the Directors.

## **GB Gas Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **(d) The impact of the company's operations on the community and the environment**

The Directors appreciate that collaboration with charities and community groups helps to create stronger communities and provide insights that enable the Board to understand the Group's impact on the community and environment, and the consequences of its decisions in the long term. Further information about how the Centrica Group engages with communities and NGOs can be found on page 24 of the Group's Annual Report and Accounts 2020.

#### **(e) 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.

#### **(f) The need to act fairly as between members of the company**

After weighing up all relevant factors, the Directors consider which course of action best promotes the long-term success of the Company, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members. However, the Directors are not required to balance the Company's interests with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

#### **Culture**

The Company's culture is set by the Group and embedded in all we do. Further information on our culture can be found on page 25 of the Group's Annual Report and Accounts 2020.

#### **Stakeholder engagement**

Proactive engagement remains a central focus for the Group, which ensures the Directors have regard to the matters set out in Section 172 (1) (a) to (f) of the Companies Act. Further information on stakeholder engagement can be found on pages 22 to 24 of the Group's Annual Report and Accounts 2020. Engaging with stakeholders delivers better outcomes for society, and for the business. It is fundamental to the Company's long-term success.

## **GB Gas Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **Review of the business**

The Company's Financial Statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ('FRS 101').

The financial position of the Company is presented in the Statement of Financial Position on page 14. Total equity as at 31 December 2020 was £495,712,000 (2019: £1,785,448,000). The profit for the financial year ended 31 December 2020 was £860,264,000 (2019: £591,628,000 loss).

An adjustment of £5,024,000 (2019: £5,603,000) was made to the Company's investment in Spirit Energy Limited as part of the expected payments to be made in respect of an indemnity provided under the terms of the acquisition in 2017. In the current year a revised estimate of the expected future payments has been made, resulting in a reduced cost to the Company and therefore the cost of acquisition has been reduced.

Total investment impairments (net of reversals) of £1,023,278,000 (2019: £1,381,294,000) related to an impairment of £98,400,000 (2019: £nil) in respect of the Company's investment in Centrica Business Solutions (UK) Limited, £687,297,000 (2019: £844,737,000) in respect of the Company's investment in Spirit Energy Limited, an impairment of £398,297,000 (2019: £299,856,000) in the Company's investment in Centrica Lake Limited, an impairment of £nil (2019: £716,000) in respect of the Company's investment in Centrica Finance (Scotland) Limited, an impairment of £nil (2019: £57,926,000) in the Company's investment in Centrica Hive Limited, an impairment of £nil (2019: £23,059,000) in the Company's investment in Centrica Storage Holdings Limited and an impairment of £nil (2019: £155,000,000) in the Company's investment in Centrica LNG Company Limited.

An impairment provision of £160,716,000 (2019: £nil) in respect of the the Company's investment in Centrica Overseas Holdings Limited was reversed in the year.

Impairments are listed in note 7.

#### **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 34-42 of the Group's Annual Report and Accounts 2020, which does not form part of this report.

#### **Exit from the European Union**

The UK and the European Union agreed a new trade deal which came into effect on the 31 December 2020 at 23:00 GMT. The UK's exit from the European Union has added to the risks and uncertainties faced by the Company. However, it is considered that the direct impact of these uncertainties on the Company is limited in the short-term. Extricating from the European Union treaties is a task of immense complexity but the Company is well-positioned to manage the possible market impacts. There are also potential tax consequences of the withdrawal and these will continue to be reassessed at each reporting date to ensure the tax provisions reflect the most likely outcome following the withdrawal.

## **GB Gas Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2020 (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, and these are shown above.

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 12-13 of the Group's Annual Report and Accounts 2020, which does not form part of this report. The results of the Company are disclosed in the Directors' Report on page 5.

#### **Future developments**

On 11 June 2020, Centrica announced plans for a significant restructure designed to create a simpler, leaner group focused on improved service delivery for customers. The restructure is on track with a reduction in Group direct headcount by over 3,000 in 2020 and another 1,000 role reductions expected to take place in 2021. The restructure will benefit the longer term value of the business, future operating profits and maintenance of a strong capital position of the Group. The Company would not expect to be materially impacted by the restructure.

On 24 July 2020, the Group announced it had agreed to dispose of its North American supply, services and trading business, Direct Energy, to NRG. On 5 January 2021 the sale was completed. The Company had an indirect investment in the Canadian business via its subsidiary undertaking, Centrica Overseas Holdings Limited. Centrica Overseas Holdings Limited is the immediate parent company of Centrica Gamma Holdings Limited, which is the entity that disposed of Direct Energy Marketing Limited. None of the profits from this disposal have been distributed to the Company by the date the financial statements were signed. The realisation of profit on the Canadian business from this sale resulted in the reversal of an impairment provision of £160,716,000 over the investment in Centrica Overseas Holdings Limited, as detailed in note 7.

On 31 July 2021 the Company sold its investment in Centrica PB Limited to Whitetower Holdings UK Limited for consideration of £20,819,000, subject to working capital adjustments, resulting in a profit on disposal of £11,289,000.

Approved by the Board on 29 September 2021 and signed on its behalf by:



Samantha Hood

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 2020**

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

#### **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:

C M O'Shea (resigned 24 July 2020)

J M Campbell (resigned 30 September 2020)

J R Ford (appointed 24 July 2020 and resigned 18 January 2021)

K B Ringrose

R Roy (appointed 30 September 2020)

#### **Results and dividends**

The results of the Company are set out on page 12. The profit for the financial year ended 31 December 2020 is £860,264,000 (2019: loss £591,628,000).

The Company paid an interim dividend of £2,150,000,000 during the year (2019: £747,000,000) and the Directors do not recommend the payment of a final dividend (2019: £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. 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.

#### **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 Group expects ongoing impacts from COVID-19 in 2021 and 2022, including lower energy demand and incremental bad debt costs as the economy recovers from the pandemic. The Group's forecasts show that the Group will maintain sufficient headroom, underpinned by unrestricted cash and cash equivalents, net of bank overdrafts, of c.£3.2bn as at 30 June 2021, and c.£3.2bn of undrawn committed facilities, which remain committed until at least 2024. The Group going concern assessment as at 30 June 2021 included various sensitivities including the impacts of a 30% decline in commodity prices, credit rating downgrade and external risks of COVID-19 including lower demand for products, lower energy consumption and higher bad debt costs, as well as mitigating actions to maintain liquidity. After Centrica's interim results announcement in July 2021 neither credit rating agency changed their rating with S&P affirming a BBB (negative) credit rating and Moody's also leaving the Baa2 (negative) rating unchanged.

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.

## **GB Gas Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

#### **Non-adjusting events after the financial period**

On 24 July 2020, the Group announced it had agreed to dispose of its North American supply, services and trading business, Direct Energy, to NRG. On 5 January 2021 the sale was completed. The Company had an indirect investment in the Canadian business via its subsidiary undertaking, Centrica Overseas Holdings Limited. Centrica Overseas Holdings Limited is the immediate parent company of Centrica Gamma Holdings Limited, which is the entity that disposed of Direct Energy Marketing Limited. None of the profits from this disposal have been distributed to the Company by the date the financial statements were signed. The realisation of profit on the Canadian business from this sale resulted in the reversal of an impairment provision of £160,716,000 over the investment in Centrica Overseas Holdings Limited, as detailed in note 7.

On 5 March 2021 the Company sold its Staines Riverside property to Big Yellow Self Storage Company Limited for consideration of £20,000,000 (exclusive of VAT), resulting in a profit on disposal of £2,000 in 2021 financial year.

On 11 March 2021 the Company sold its Staines Lakeside freehold property to Stonegate Homes (Staines) Limited. Consideration of £10,810,000 (exclusive of VAT) was received by the Group, of which, £1,910,000 was allocated to the Company, resulting in a profit on disposal of £960,000 in 2021 financial year.

On 31 July 2021 the Company sold its investment in Centrica PB Limited to Whitetower Holdings UK Limited for consideration of £20,819,000, subject to working capital adjustments, resulting in a profit on disposal of £11,289,000.

#### **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 2020 (continued)**

#### **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 29 September 2021 and signed on its behalf by:



Samantha Hood

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 2020 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](http://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 about their own identification and assessment of the risks of irregularities.

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 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 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.

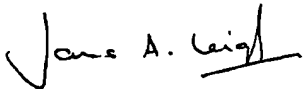
We have nothing to report in respect of these matters.

## **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.



James Leigh FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

Date: 29 September 2021

## GB Gas Holdings Limited

### Income Statement for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Operating costs	5	(52,321)	(70,227)
Exceptional items - impairment of property, plant and equipment	7	(9,562)	(17,320)
Exceptional items - impairment charges	7	(1,023,278)	(1,381,294)
Exceptional items - (loss)/income on the disposal of investments	7	(37,404)	30,428
Exceptional items - provision reversal/(charge) for credit losses on financial assets	7	4,732	(26,205)
Other income	4	<u>71,685</u>	<u>73,932</u>
Operating loss		<u>(1,046,148)</u>	<u>(1,390,686)</u>
Income from shares in Group undertakings	8	2,235,427	1,059,009
Finance income	9	89,857	124,876
Finance costs	9	<u>(446,635)</u>	<u>(442,878)</u>
Net finance cost		<u>(356,778)</u>	<u>(318,002)</u>
Profit/(loss) before taxation		832,501	(649,679)
Taxation on profit/(loss)	11	<u>27,763</u>	<u>58,051</u>
Profit/(loss) for the year from continuing operations		<u><u>860,264</u></u>	<u><u>(591,628)</u></u>

The above results were derived from continuing operations.

## **GB Gas Holdings Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2020**

	<b>2020</b> <b>£ 000</b>	<b>2019</b> <b>£ 000</b>
Profit/(loss) for the year	<u>860,264</u>	<u>(591,628)</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the year	<u><u>860,264</u></u>	<u><u>(591,628)</u></u>

The notes on pages 17 to 52 form an integral part of these financial statements.

# GB Gas Holdings Limited

## Statement of Financial Position as at 31 December 2020

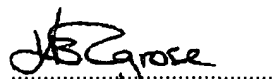
	Note	2020 £ 000	2019 £ 000
<b>Non-current assets</b>			
Property, plant and equipment	12	132,278	187,714
Deferred tax assets	11	85,883	62,330
Investments	13	7,831,835	8,860,137
Trade and other receivables	14	1,521,075	1,562,450
		<u>9,571,071</u>	<u>10,672,631</u>
<b>Current assets</b>			
Trade and other receivables	14	157,547	169,235
Cash and cash equivalents		<u>2,068</u>	<u>2,347</u>
		<u>159,615</u>	<u>171,582</u>
<b>Total assets</b>		<u>9,730,686</u>	<u>10,844,213</u>
<b>Current liabilities</b>			
Trade and other payables	16	(7,352,131)	(6,946,212)
Current tax liabilities	11	(1,225)	-
Provisions for other liabilities and charges	17	(4,453)	(9,640)
Borrowings	15	<u>(31,766)</u>	<u>(34,383)</u>
		<u>(7,389,575)</u>	<u>(6,990,235)</u>
<b>Net current liabilities</b>		<u>(7,229,960)</u>	<u>(6,818,653)</u>
<b>Total assets less current liabilities</b>		2,341,111	3,853,978
<b>Non-current liabilities</b>			
Deferred tax liabilities	11	(961)	(1,300)
Trade and other payables	16	(1,721,050)	(1,901,864)
Provisions for other liabilities and charges	17	(29,647)	(25,434)
Borrowings	15	<u>(93,741)</u>	<u>(139,932)</u>
		<u>(1,845,399)</u>	<u>(2,068,530)</u>
<b>Net assets</b>		<u>495,712</u>	<u>1,785,448</u>
<b>Equity</b>			
Share capital	18	1,473	1,473
Share premium		500,000	500,000
Retained (losses)/earnings		<u>(5,761)</u>	<u>1,283,975</u>
<b>Total equity</b>		<u>495,712</u>	<u>1,785,448</u>

The notes on pages 17 to 52 form an integral part of these financial statements.

**GB Gas Holdings Limited**

**Statement of Financial Position as at 31 December 2020 (continued)**

The financial statements on pages 12 to 52 were approved and authorised for issue by the Board of Directors on 29 September 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'K B Ringrose', is written over a dotted line.

K B Ringrose  
Director

Company number 03186121

## GB Gas Holdings Limited

### Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Share premium £ 000	Retained losses £ 000	Total equity £ 000
At 1 January 2020	1,473	500,000	1,283,975	1,785,448
Profit for the year	-	-	860,264	860,264
Total comprehensive income	-	-	860,264	860,264
Dividends	-	-	(2,150,000)	(2,150,000)
At 31 December 2020	1,473	500,000	(5,761)	495,712

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2019	1,473	500,000	2,622,603	3,124,076
Loss for the year	-	-	(591,628)	(591,628)
Total comprehensive expense	-	-	(591,628)	(591,628)
Dividends	-	-	(747,000)	(747,000)
At 31 December 2019	1,473	500,000	1,283,975	1,785,448

# **GB Gas Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **1 General information**

GB Gas Holdings Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom 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

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

### **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 International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with 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 2020, the following standards and amendments are effective in the Company's Financial Statements:

- Amendments to IFRS 3: 'Business combinations';
- Amendments to IAS 1: 'Presentation of financial statements' and IAS 8: 'Accounting policies, changes in accounting estimates and errors' and
- Conceptual Framework for Financial Reporting 2018.

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 and intangible assets;
- the prior year reconciliations in the number of shares outstanding at the beginning and at the end of the year for share capital;
- disclosures in respect of related party transactions with wholly-owned subsidiaries in a group;

## **GB Gas Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

- 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 disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IAS 36 'Impairment of Assets' in respect of the impairment of goodwill and indefinite life intangible assets;
- certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures' have not been provided.;

#### **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.

The Group expects ongoing impacts from COVID-19 in 2021 and 2022, including lower energy demand and incremental bad debt costs as the economy recovers from the pandemic. The Group's forecasts show that the Group will maintain sufficient headroom, underpinned by unrestricted cash and cash equivalents, net of bank overdrafts, of c.£3.2bn as at 30 June 2021, and c.£3.2bn of undrawn committed facilities, which remain committed until at least 2024. The Group going concern assessment as at 30 June 2021 included various sensitivities including the impacts of a 30% decline in commodity prices, credit rating downgrade and external risks of COVID-19 including lower demand for products, lower energy consumption and higher bad debt costs, as well as mitigating actions to maintain liquidity. After Centrica's interim results announcement in July 2021 neither credit rating agency changed their rating with S&P affirming a BBB (negative) credit rating and Moody's also leaving the Baa2 (negative) rating unchanged.

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.

## **GB Gas Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **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.

##### **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.

##### **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.

## **GB Gas Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or 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.

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.

##### **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 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Depreciation of PP&E**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
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 2020 (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 2020 (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). After initial recognition, these financial instruments are measured at amortised cost using the EIR method, except when they are the hedged item in an effective fair value hedge relationship where the carrying value is also adjusted to reflect the fair value movements associated with the hedged risks. Such fair value movements are recognised in the Company's Income Statement. Amortised cost is calculated by taking into account any issue costs, discount or premium, when applicable.

#### **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.

##### **Critical judgements in applying the Company's accounting policies**

The following are critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### **Investments in subsidiaries, associates and joint-ventures**

A key accounting judgement of the Company is that the carrying value of its investments in subsidiaries, associates and inter company receivables is recoverable. 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 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 £4,501,345,000 (2019: £3,478,067,000).

##### **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. In 2020 there was a net reversal of provision for expected credit losses of £4,732,000 (2019: £26,205,000 charge)

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 4 Other operating income

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

	2020 £ 000	2019 £ 000
Profit on disposal of fixed assets	33	2,219
Other income	71,652	71,713
	<u>71,685</u>	<u>73,932</u>

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

	2020 Operating costs £ 000	2019 Operating costs £ 000
Depreciation <sup>(i)</sup>	(26,750)	(28,990)
Facilities and property costs <sup>(ii)</sup>	(12,429)	(29,000)
Other operating costs <sup>(iii)</sup>	(13,142)	(12,237)
	<u>(52,321)</u>	<u>(70,227)</u>
Total costs by nature		

<sup>(i)</sup> Includes £24,149,000 (2019: £26,351,000) depreciation on right-of-use assets recognised under IFRS16.

<sup>(ii)</sup> Excludes depreciation costs.

<sup>(iii)</sup> Other costs comprise recharges from other Group companies and legal and professional fees.

#### 6 Employees' costs

The Company had no employees during the year (2019: 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 2020 (continued)

#### 7 Exceptional items

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

	2020 £ 000	2019 £ 000
Exceptional items - impairment of property, plant and equipment <sup>(i)</sup>	(9,562)	(17,320)
Exceptional items - impairment charges <sup>(ii)</sup>	(1,023,278)	(1,381,294)
Exceptional items - provision reversal/(charge) for credit losses on financial assets <sup>(iii)</sup>	4,732	(26,205)
Exceptional items - (loss)/income on the disposal of investments <sup>(iv)</sup>	(37,404)	30,428
	<u>(1,065,512)</u>	<u>(1,394,391)</u>

<sup>(i)</sup> Exceptional impairments relates to Group property sites which have been closed. The 2019, prior year figure, includes £9,500,000 relating to Staines Riverside, Staines. £4,700,000 of this impairment provision was subsequently reversed in 2020. This property was sold in 2021.

<sup>(ii)</sup> Impairment charges are analysed below.

	2020 £ 000	2019 £ 000
<b>Impairment charge/(reversal) of subsidiary undertakings</b>		
Spirit Energy Limited	(687,297)	(844,737)
Centrica Lake Limited	(398,297)	(299,856)
Centrica Business Solutions (UK) Limited	(98,400)	-
Centrica Overseas Holdings Limited	160,716	-
Centrica Hive Limited	-	(57,926)
Centrica Storage Holdings Limited	-	(23,059)
Centrica LNG Company Limited	-	(155,000)
Centrica Finance (Scotland) Limited	-	(716)
	<u>(1,023,278)</u>	<u>(1,381,294)</u>

<sup>(iii)</sup> The Company made a net reversal of provision for credit losses on financial assets of £4,732,000 (2019: £26,205,000 charge), this provision relates to amounts owed from Group undertakings.

<sup>(iv)</sup> Loss on the disposal of investments of £37,404,000 relates to sale of the Company's investment in Centrica KL Limited to RWE Generation UK plc (2019: £30,428,000 income, related to contingent consideration received from the sale of interests in Trinidad and Tobago in 2016, not previously expected).

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 8 Income from shares in Group undertakings

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

	2020 £ 000	2019 £000
British Gas Insurance Limited	83,000	83,000
British Gas Trading Limited	2,150,000	500,000
Centrica (Isle of Man) Limited	500	-
Home Assistance UK Limited	1,891	-
British Gas New Heating Limited	-	100,000
Centrica Energy Limited	-	100,000
Spirit Energy Limited	-	275,974
Gemserv Limited	36	35
<b>Total income from shares in Group undertakings</b>	<b>2,235,427</b>	<b>1,059,009</b>

#### 9 Net finance cost

##### Finance income

	2020 £ 000	2019 £ 000
Interest income from amounts owed by Group undertakings	87,983	124,876
Interest income on bank deposits	770	-
Net foreign exchange gains on financing transactions	1,104	-
<b>Total finance income</b>	<b>89,857</b>	<b>124,876</b>

##### Finance cost

	2020 £ 000	2019 £ 000
Interest on amounts owed to Group undertakings	(443,024)	(436,647)
Net foreign exchange losses on financing transactions	-	(1,334)
Other finance costs	(1,411)	(1,801)
Interest expense on leases - Property	(2,200)	(3,096)
<b>Total finance costs</b>	<b>(446,635)</b>	<b>(442,878)</b>
<b>Net finance cost</b>	<b>(356,778)</b>	<b>(318,002)</b>

#### 10 Auditors' remuneration

Auditors' remuneration totalling £12,000 (2019: £12,000) 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.

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 11 Income tax

Tax credited/(charged) in the Income Statement

	2020 £ 000	2019 £ 000
<b>Current taxation</b>		
UK corporation tax at 19% (2019: 19%)	-	33,637
UK corporation tax adjustment to prior periods	3,871	(13,776)
	<u>3,871</u>	<u>19,861</u>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	21,090	27,445
Changes in tax rates	6,718	(2,889)
Adjustment in respect of prior period	(3,916)	13,634
Total deferred taxation	<u>23,892</u>	<u>38,190</u>
Taxation on profit/(loss)	<u>27,763</u>	<u>58,051</u>

The main rate of corporation tax for the year to 31 December 2020 was 19% (2019: 19%). The UK corporation tax rate was scheduled to reduce to 17% from 1 April 2020 but the Government halted the reduction, to maintain the rate at 19%. As a result, the deferred tax position was rebased during the year to 19% accordingly. Subsequent to this, the Budget on 3 March 2021 announced that the rate of corporation tax will increase to 25% from 1 April 2023. When this rate is enacted in the Finance Bill 2021, the impact on the deferred tax balances will be to increase the asset position by £26,800,000.

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

	2020 £ 000	2019 £ 000
Profit/(loss) before tax	<u>832,501</u>	<u>(649,679)</u>
Tax on profit/(loss) at standard UK corporation tax rate of 19% (2019: 19%)	(158,175)	123,439
Increase in current tax from adjustment for prior periods	(45)	(142)
Decrease from effect of income exempt from taxation	424,731	206,993
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	(203,093)	(269,350)
Increase arising from group relief tax reconciliation	(43,412)	(1,110)
Decrease from transfer pricing adjustments	1,039	1,110
Decrease (increase) from effect of UK tax rate changes	6,718	(2,889)
Total tax credit	<u>27,763</u>	<u>58,051</u>

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 11 Income tax (continued)

##### 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 2020	(1,300)	56,404	5,926	61,030
Prior period adjustments	223	(16,999)	12,860	(3,916)
Charged to the Income Statement	116	24,638	3,054	27,808
31 December 2020	<u>(961)</u>	<u>64,043</u>	<u>21,840</u>	<u>84,922</u>

	Accelerated tax depreciation £000	Loans and other borrowings £000	Other items £000	Total £ 000
1 January 2019	(1,556)	18,765	5,631	22,840
Charged to the Income Statement	259	24,142	155	24,556
Prior period adjustments	<u>(3)</u>	<u>13,497</u>	<u>140</u>	<u>13,634</u>
31 December 2019	<u>(1,300)</u>	<u>56,404</u>	<u>5,926</u>	<u>61,030</u>

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

##### Unrecognised deferred tax

At the balance sheet date, the Company has unrecognised capital losses of £221,210,972 (2019: £133,977,507) available against future chargeable gains.

# GB Gas Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

### 12 Property, plant and equipment

	Land and buildings £ 000	Plant and equipment, fixtures and fittings £ 000	Total £ 000
<b>Cost</b>			
At 1 January 2020	243,657	47,281	290,938
Lease modifications and re-measurements	(19,540)	-	(19,540)
Additions	368	15	383
Disposals and surrenders	(11,041)	(1,159)	(12,200)
At 31 December 2020	<u>213,444</u>	<u>46,137</u>	<u>259,581</u>
<b>Accumulated depreciation and impairment</b>			
At 1 January 2020	(62,001)	(41,223)	(103,224)
Charge for the year	(24,463)	(2,287)	(26,750)
Disposals and surrenders	6,185	6,048	12,233
Impairment	(9,562)	-	(9,562)
At 31 December 2020	<u>(89,841)</u>	<u>(37,462)</u>	<u>(127,303)</u>
<b>Net book value</b>			
At 31 December 2020	<u>123,603</u>	<u>8,675</u>	<u>132,278</u>
At 31 December 2019	<u>181,656</u>	<u>6,058</u>	<u>187,714</u>

Land and Buildings at 31 December 2020 reflect right-of-use assets with a net book value of £99,348,000 (2019: £156,948,000) which are recognised in accordance with IFRS 16. Additions in the year amounted to £368,000 (2019: £30,285,000) and depreciation to £38,411,000 (2019: £33,413,000). The cost of right-of-use property assets are periodically revalued when lease valuations are reassessed.

Included within the net book value of land and buildings above is £24,254,000 (2019: £24,708,000) in respect of freehold land and buildings,

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments

Fixed asset investments	£ 000
<b>Cost or valuation</b>	
At 1 January 2019	12,323,807
Additions <sup>(i)</sup>	20,000
Adjustment to cost <sup>(iii)</sup>	(5,603)
At 31 December 2019	12,338,204
At 1 January 2020	12,338,204
Additions <sup>(ii)</sup>	28,000
Adjustment to cost <sup>(iii)</sup>	(5,024)
Disposals <sup>(iv)</sup>	(28,000)
At 31 December 2020	12,333,180
<b>Provision</b>	
At 1 January 2019	(2,096,773)
Impairments provided in the year <sup>(v)</sup>	(1,381,294)
At 31 December 2019	(3,478,067)
At 1 January 2020	(3,478,067)
Impairments provided in the year <sup>(v)</sup>	(1,023,278)
At 31 December 2020	(4,501,345)
<b>Net book value</b>	
At 31 December 2020	7,831,835
At 31 December 2019	8,860,137

<sup>(i)</sup> On 26 March 2019 the Company subscribed for an additional £1 share in Centrica Lake Limited with a premium of £19,999,999.

<sup>(ii)</sup> The Company's investment in Spirit Energy Limited was reduced by £5,024,000 (2019: £5,603,000) as a result of a reduction in the estimate of decommissioning costs.

<sup>(iii) (iv)</sup> On 10 February 2020 the Company provided a shareholder loan of £138,617,000 to Centrica KL Limited in order for them to settle amounts payable to Group companies. Centrica KL Limited subsequently issued equity shares to the Company valued at £28,000,000 against the shareholder loan. The shareholder loan was then impaired by £38,267,000. On 14 February 2020 the Company sold its investment in Centrica KL Limited to RWE Holdings UK plc for consideration of £73,500,000, which settled the remaining balance of the shareholder loan.

<sup>(v)</sup> Investment impairments are listed in note 7.

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

##### 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 £3,934,954,000 (2019: £3,206,425,000) is not classified as a realised loss.

##### Joint ventures and associates

£ 000

##### Cost or valuation

At 1 January 2019	4,457
Disposals	(4,457)
At 31 December 2019	-
At 1 January 2020	-
At 31 December 2020	-

##### Provision

At 1 January 2019	(4,457)
Eliminated on disposals	4,457
At 31 December 2019	-
At 1 January 2020	-
At 31 December 2020	-

##### Carrying amount

At 31 December 2020	-
At 31 December 2019	-

The Company's participating interest of 24.4% in 4Energy Limited was dissolved on 6 June 2019.

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

Details of the investments as at 31 December 2020 are as follows:

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Accord Energy (Trading) Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Accord Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Alertme.com GmbH	Non-trading	Thomas-Wimmer-Ring 1-3, 80539, Munich, Germany	Ordinary shares	100%	100%
Atform Limited	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Bord Energy Limited	Gáis Energy supply and power generation	1 Warrington Place, Dublin 2, Republic of Ireland	Ordinary shares	100%	100%
Bord Energy DAC (Designated Activity Company)	Gáis Pension trustee company	1 Warrington Place, Dublin 2, Republic of Ireland	Ordinary shares	100%	100%
British Energy Procurement Limited	Gas Energy supply	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Finance Limited*	Gas Vehicle leasing	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Insurance Limited*	Gas Insurance provision	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Limited*	Gas Dormant	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 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
British Gas New Heating Limited*	Electrical and gas installations	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Services (Commercial) Limited*	Gas Servicing installation heating systems	and of Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Services Limited*	Gas Home services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Social Housing Limited	Gas Servicing installation heating systems	and of Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Gas Solar Limited	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Trading Limited*	Gas Energy supply	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
British Limited	Gas X Energy supply	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Business Limited*	Gas Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Caythorpe Storage Limited	Gas Gas storage	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom	Ordinary shares	100%	100%
Centrica Limited*	(IOM) Dormant	3rd floor, St George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man	Ordinary shares	100%	100%
Centrica Wind Limited	(Lincs) Farm 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 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Centrica Limited*	Barry Power generation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Limited*	Brigg Power generation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions (Generation) Limited	Power generation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions Belgium NV	Demand response aggregation	Posthofbrug 12, 2600 Antwerp, Belgium	Ordinary shares	100%	100%
Centrica Business Solutions BV	Energy management products and services	Wiegerbruinlaan 2A, 1422 CB Uithoorn, Netherlands	Ordinary shares	100%	100%
Centrica Business Solutions Canada Inc.	Energy management products and services	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Ordinary shares	100%	100%
Centrica Business Solutions Deutschland GmbH	Demand response aggregation	Neuer Wall 10, 20354 Hamburg, Germany	Ordinary shares	100%	100%
Centrica Business Solutions France SASU (i)	Demand response aggregation	60 Avenue Charles de Gaulle, Cs 60016, 92573, Neuilly sur Seine Cedex, France	Ordinary shares	100%	100%
Centrica Business Solutions International Limited	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions Ireland Limited (ii)	Energy management products and services	1 Warrington Place, Dublin 2, Republic of Ireland	Ordinary shares	100%	100%

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Centrica Business Solutions Italia Srl	Energy management products and services	Milan (MI), Via Emilio Cornalia 26, Italy	Ordinary shares	100%	100%
Centrica Business Solutions Management Limited*	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions México S.A. de C.V.	Energy management products and services	Presidente Masaryk no. 61, Piso 7, Mexico, D.f. CP 11570, Mexico	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	Ordinary shares	100%	100%
Centrica Business Solutions UK Limited	Energy management products and services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions UK Optimisation Limited	Demand response aggregation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Business Solutions Zrt	Energy management products and services	H-1106 Budapest Jászberényi út 24-36, Hungary	Ordinary shares	100%	100%
Centrica Combined Common Investment Fund Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Limited	Delta Dormant	33-37 Athol Street, Douglas, IM1 1LB, Isle of Man	Ordinary shares	100%	100%
Centrica Directors Limited*	Dormant	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 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Centrica Distributed Generation Limited*	Power generation	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Energy (Trading) Limited	Wholesale energy trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Energy Limited*	Wholesale energy trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Energy Marketing Limited*	Wholesale energy trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Energy Operations Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Energy Renewable Investments Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Energy Trading A/S	Energy services and wholesale energy trading	Skelagervej 1, 9000 Aalborg, Denmark	Ordinary shares	100%	100%
Centrica Energy Trading GmbH	Energy services and wholesale energy trading	Gustav-Mahler-Platz 1, 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	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 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Centrica Finance (Scotland) Limited*	Holding company	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
Centrica Finance Investments Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Finance Norway Limited	Dormant	47 Esplanade, St Helier, JE1 0BD, Jersey	Ordinary shares	100%	100%
Centrica Gamma Holdings Limited	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Canada Inc. (iii)	Hive Energy management products and services	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Ordinary shares	100%	100%
Centrica Limited*	Hive Energy management products and services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
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 Offshore Private Limited	India Business services	G-74, LGF, Kalkaji, New Delhi, South Delhi, 110019, India	Ordinary shares	100%	100%
Centrica Infrastructure Limited*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
Centrica Innovations Limited*	Investment company UK	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 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
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	Jersey Dormant	26 New Street, St Helier, JE2 3RA, Jersey	Ordinary 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%
Centrica Leasing (KL) 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 BV	Holding company	Wiegerbruinlaan 2A, 1422 CB Uithoorn, Netherlands	Ordinary shares	100%	100%
Centrica NewCo 123 Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Limited*	No. 12 Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Nominees Limited*	No.1 Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Offshore Limited	UK Gas and/or oil exploration and production	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom	Ordinary shares	100%	100%

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Centrica Onshore Processing UK Limited	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 Limited*	PB Power generation	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%
Centrica Pension Trustees Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Production Limited*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
Centrica Resources Limited* (UK)	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Resources Petroleum Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Secretaries Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Services Limited*	Business services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Holdings Limited*	Storage Holding company	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom	Ordinary shares	100%	100%

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Centrica Storage Limited	Gas production and processing	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom	Ordinary shares	100%	100%
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*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
CH4 Limited*	Energy	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
CID1 Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
CIU1 Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
DEML Investments Limited	Holding company	Bay Adelaide Centre, 333 Bay Street, Suite 2400, Toronto ON, M5H 2T6, Canada	Ordinary shares	100%	100%
DER Development No. 10 Ltd.	Holding company	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Ordinary shares	100%	100%
Direct (B.C.) (iii)	Energy Limited	Energy supply and/or services	500 Burrard Street, Suite 2900, Vancouver BC V6C 0A3, Canada	Ordinary shares	100%
Direct Holdings (Alberta) (iii)	Energy Inc.	Home and/or commercial services	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Ordinary shares	100%

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

Name of investment		Principal activity		Registered office	Holding	Proportion of ownership interest and voting rights held	
						2020	2019
Direct HVAC Ltd. (iii)	Energy Services	Home and/or commercial services		350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Ordinary shares	100%	100%
Direct Marketing Limited (iii)	Energy	Energy supply and/or services		Bay Adelaide Centre, 333 Bay Street, Suite 2400, Toronto ON, M5H 2T6, Canada	Ordinary shares	100%	100%
Distributed Energy Solutions Limited	Asset	Dormant		Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Distributed Energy Solutions Limited	Customer	Energy management products and services		Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Drips Limited*		Dormant		Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Dyno Developments Limited		Dormant		Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Dyno-Plumbing Limited		Dormant		Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Dyno-Rod Limited		Operation of franchise network	a	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Dyno-Security Services Limited		Dormant		Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Dyno-Services Limited		Dormant		Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
ECL Limited*	Contracts	Dormant		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 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
ECL Investments Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Electricity Direct (UK) Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
ENER-G International Limited*	Cogen Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
ENER-G Nagykanizsa Kft	Energy management products and services	H-1106 Budapest Jászberényi út 24-36, Hungary	Ordinary shares	100%	100%
ENER-G Power2 Limited	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Energy Tomorrow*	For Not-for-profit energy services	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Limited by guarantee	100%	100%
FES Solutions Limited	Energy management products and services	1 Warrington Place, Dublin 2, Republic of Ireland	Ordinary shares	100%	100%
Generation Green Solar Limited*	Dormant community benefit society	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
GF One Limited	In liquidation	1 More London Place, London, SE1 2AF, United Kingdom	Ordinary shares	75%	75%
GF Limited*	Two In liquidation	1 More London Place, London, SE1 2AF, United Kingdom	Ordinary shares	75%	75%
Goldbrand Development Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Hillserve Limited*	Dormant	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 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Home Assistance UK Limited*	Non-trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Io Tahoe Ukraine LLC	Data management	20 A Heroiev Stalingrada Avenue, Kyiv 04210, Ukraine	Participatory interest	100%	100%
Io-Tahoe Limited	UK Data management	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Neas Limited	Energy Energy services and wholesale energy trading	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Neas Invest A/S	Dormant	Skelagervej 1, 9000 Aalborg, Denmark	Ordinary shares	100%	100%
Newco Limited*	One Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
North Infrastructure Partners Limited*	Sea Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
NSIP (Holdings) Limited*	Dormant	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Ordinary shares	100%	100%
P.H Jones Group Limited	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
P.H. Jones Facilities Management Ltd	Servicing and maintenance of heating systems	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Panoramic Power Ltd.	Energy management products and services	15 Atir Yeda Street, Kfar Saba, 44643, Israel	Ordinary shares	100%	100%
Pioneer Shipping Limited*	LNG chartering vessel	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 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Repair and Care Limited*	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Solar Technologies Group Limited	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Solar Technologies Limited	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Soren Limited	Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Bayerngas Norge AS	Holding company	Lilleakerveien 8, 0283 Oslo, Norway	Ordinary shares	69%	69%
Bowland Resources (No.2) Limited	Gas and/or exploration and production	oil 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	oil 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	oil 1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
NSGP (Ensign) Limited	Gas and/or exploration and production	oil Sanne, IFC 5, St Helier, JE1 1ST, Jersey	Ordinary shares	69%	69%
Spirit Hedging Limited	Energy Holding	Dormant 1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit Hedging Limited	Energy	Dormant 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%

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Spirit Energy Nederland BV	Gas and/or exploration production	oil Transpolis Building, and Polarisavenue 39, 2132 JH Hoofddorp, Netherlands	Ordinary Shares	69%	69%
Spirit Energy Norway AS	Gas and/or exploration production	oil Veritasvien 29, 4007 and Stavanger, Norway	Ordinary shares	69%	69%
Spirit North Sea Limited	Gas and/or exploration production	oil 1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit North Sea Oil Limited	Gas and/or exploration production	oil 5th floor, IQ Building, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom	Ordinary shares	69%	69%
Spirit Energy Production UK Limited	Gas and/or exploration production	oil 1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit Energy Resources Limited	Gas and/or exploration production	oil 1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
Spirit Energy Southern North Sea Limited	Gas and/or exploration production	oil 1st floor, 20 Kingston Road, Staines-upon-Thames, TW18 4LG, United Kingdom	Ordinary shares	69%	69%
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 Infrastructure BV	Construction, ownership exploitation infrastructure	Transpolis Building, and Polarisavenue 39, 2132 JH of Hoofddorp, Netherlands	Ordinary shares	69%	69%
Spirit North Sea Gas Limited	Gas and/or exploration production	oil 5th floor, IQ Building, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom	Ordinary shares	69%	69%

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

Name of investment		Principal activity		Registered office	Holding	Proportion of ownership interest and voting rights held	
						2020	2019
Spirit Limited	Norway	Gas and/or exploration and production	oil and	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	oil and	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%
Direct Partnership (iii)	Energy	Energy supply		350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Membership interest	100%	100%
Direct Resources Partnership	Energy	Holding entity		350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Membership interest	100%	100%
Finance 2016 Partnership	Scotland Limited	Group financing		1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Membership interest	100%	100%
Finance CEPS Partnership	Scotland Limited	Group financing		1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Membership interest	100%	100%
Finance CPP Partnership	Scotland Limited	Group financing		1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG United Kingdom	Membership interest	100%	100%

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Investments (continued)

Name of investment	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Ignite Enterprise LP	Social enterprise investment fund	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Membership interest	100%	100%
Barrow Limited	Shipping Energy supply and/or services	c/o Wilkin Chapman LLP, The Maltings, 11-15 Brayford Wharf East, Lincoln, LN5 7AY, United Kingdom	Ordinary shares	50%	50%
Celtic Limited	Array Development of an offshore windfarm	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	50%	50%
Eurowind Polska VI Sp z o.o.	Operation of an onshore windfarm	Ul. Wysogotowska 23, 62-081 Przemierowo, Wielkopolskie, Poland	Ordinary shares	50%	50%
Greener Limited	Ideas Development of flexible power generation sites	1 Warrington Place, Dublin 2, Republic of Ireland	Ordinary shares	50%	50%
Rhiannon Farm Limited	Wind Dormant	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	50%	50%
Vindpark Keblowo ApS	Operation of an onshore windfarm	Mariagervej 58B, DK 9500 Hobro, Denmark	Ordinary shares	50%	50%
Lake Acquisitions Limited	Holding company	90 Whitfield Street, London, W1T 4EZ, United Kingdom	Ordinary shares	20%	20%

\* indicates direct investment of the Company.

<sup>(i)</sup> Centrica Business Solutions France SASU changed their registered address during the year from Place de la Défense 12, Maison de la Défense, 92974, Paris, France to the address listed above.

<sup>(ii)</sup> Centrica Business Solutions Ireland Limited changed their registered address during the year from 1 The Seapoint Building, Clontarf, Dublin 3, Republic of Ireland to the address listed above.

<sup>(iii)</sup> Entity included in the sale of the North American energy supply, services and trading business, Direct Energy, to NRG Energy Inc. on 5 January 2021.

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 14 Trade and other receivables

	2020		2019	
	Current £ 000	Non-current £ 000	Current £ 000	Non-current £ 000
Amounts owed by Group undertakings	116,245	1,521,075	124,192	1,559,867
Prepayments	4,310	-	3,402	-
Other receivables	36,992	-	41,641	2,583
	<u>157,547</u>	<u>1,521,075</u>	<u>169,235</u>	<u>1,562,450</u>

Non-current amounts owed by Centrica Holdings Limited of £1,520,000,000 (2019: £1,520,000,000) bear interest at a fixed amount of 5% payable monthly in arrears and are unsecured and repayable on 8 January 2030.

Amounts owed by ENER-G UK Power2 Limited of £38,201,000 (2019: £36,580,000 non-current receivable) 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 2021. The interest rates range between 4.42% and 4.73% (2019: 4.20% and 4.90%).

Non-current amounts owed by Group undertakings under an intercompany finance lease arrangement total £2,899,000 (2019: £3,287,000) are unsecured, repayable over 20 years from 2007 and accrue interest between 5.5% and 6.4% (2019: 5.5% and 6.4%).

Current amounts owed by Group undertakings under an intercompany finance lease arrangement total £394,000 (2019: £371,000) are unsecured and accrue interest between 5.5% and 6.4% (2019: 5.5% and 6.4%).

Amounts owed by Ignite Social Enterprise of £8,170,000 (2019: £8,058,000) 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.

Amounts owed by Group undertakings totalling £92,262,000 (2019: £142,564,000) are not interest bearing, are unsecured and repayable on demand.

Amounts owed by Group undertakings include credit loss provisions of £27,169,000 (2019: £32,548,000). The credit loss provision is comprised of £1,824,000 (2019: £nil) relating to non-current receivables and £25,345,000 (2019: £32,548,000) relating to current receivables.

Interest balances of £2,563,000 (2019: £5,747,000) are interest free.

Other receivables include amounts receivable of £2,631,000 (2019: £2,668,000) (current) and £nil (2019: £2,583,000) (non-current) in respect of property leases which have been sub-let.

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 15 Loans and borrowings

	31 December 2020 £ 000	31 December 2019 £ 000
<b>Non-current bank overdrafts, loans and borrowings</b>		
Lease liabilities	<u>(93,741)</u>	<u>(139,932)</u>
	31 December 2020 £ 000	31 December 2019 £ 000
<b>Current bank overdrafts, loans and borrowings</b>		
Lease liabilities	<u>(31,766)</u>	<u>(34,383)</u>

#### Lease liabilities

As described in note 2, from 1 January 2019 under IFRS 16 the Company has accounted for property leases as finance leases.

#### 16 Trade and other payables

	2020		2019	
	Current £ 000	Non-current £ 000	Current £ 000	Non-current £ 000
Accrued expenses	(421)	-	(6,942)	-
Amounts owed to Group undertakings	(7,302,027)	(1,721,050)	(6,881,682)	(1,901,864)
Other payables	<u>(49,683)</u>	<u>-</u>	<u>(57,588)</u>	<u>-</u>
	<u>(7,352,131)</u>	<u>(1,721,050)</u>	<u>(6,946,212)</u>	<u>(1,901,864)</u>

Amounts owed to Group undertakings of £621,006,000 (2019: £592,956,000) 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 4.42% and 4.73% (2019: 4.20% and 4.90%).

Amounts owed to Group undertakings of £6,346,214,000 (2019: £6,035,458,000) 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 4.42% and 4.73% (2019: 4.20% and 4.90%).

Amounts owed to Group undertakings include £179,068,000 (2019: £77,895,000) which is interest free, unsecured, with no fixed date of repayment and is repayable on demand.

Amounts owed to Group undertakings include CAD 147,670,000 (£84,758,000) (2019: CAD 147,670,000 (£85,861,000)) which is interest free, unsecured, with no fixed date of repayment and is repayable on demand.

Interest balances of £78,000 (2019: £78,000) are interest free.

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 16 Trade and other payables (continued)

Current Contingent consideration balances owed to a Group company amounting to £70,903,000 (2019: £89,434,000) are repayable quarterly through to March 2023 and are subject to annual revision in instalments and total amounts payable. Contingent consideration balances which are non-current amount to £89,850,000 (2019: £66,794,000).

Non-current amounts owed to Group undertakings of £1,630,700,000 (2019: £1,834,570,000) 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.

Non-current amounts owed to Centrica Insurance Company Limited of £500,000 (2019: £500,000) are interest free and unsecured with no fixed repayment date.

#### 17 Provisions for other liabilities and charges

	Restructuring £ 000	Other provisions £ 000	Total £ 000
At 1 January 2020	(6,705)	(28,369)	(35,074)
Charged to the Income Statement	2,204	(6,843)	(4,639)
Unused provision reversed to the Income Statement	3,145	2,324	5,469
Provisions used	69	75	144
At 31 December 2020	<u>(1,287)</u>	<u>(32,813)</u>	<u>(34,100)</u>
Non-current liabilities	<u>(406)</u>	<u>(29,241)</u>	<u>(29,647)</u>
Current liabilities	<u>(881)</u>	<u>(3,572)</u>	<u>(4,453)</u>

Materially all provisions are financial liabilities.

#### Restructuring

Restructuring provisions charged arise on properties closed during the year, 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.

## GB Gas Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 18 Capital and reserves

##### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,473,000</u>	<u>1,473,000</u>	<u>1,473,000</u>	<u>1,473,000</u>

##### 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.

#### 19 Dividends

	31 December 2020 £ 000	31 December 2019 £ 000
Interim dividend of £1,459.61 (2019 - £507.13) per ordinary share	2,150,000	747,000

On 30 December 2020 the Company paid an interim dividend of £2,150,000,000 (2019: £747,000,000) to its immediate parent undertaking, Centrica Holdings Limited. The Directors do not recommend the payment of a final dividend (2019: £nil).

#### 20 Commitments and contingencies

At 31 December 2020 the Company had provided guarantees up to a maximum of £307,240,000 (2019: £436,717,000) to various counter-parties primarily in relation to the wholesale energy procurement activities of its subsidiaries. At the year end the exposure was £120,147,000 (2019 £131,715,000).

At 31 December 2020 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 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 (2019: £1,000,000,000), however the actual exposure at year end was £498,000,000 (2019: £135,000,000).

#### 21 Related party transactions

During the year the Company charged for various Group services and received income of £32,283,000 (2019: £21,828,000) from the Spirit Energy group of companies, of which the Company owns 69%.

## **GB Gas Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **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](http://www.centrica.com).

#### **Relationship between entity and parents**

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 July 2020, the Group announced it had agreed to dispose of its North American supply, services and trading business, Direct Energy, to NRG. On 5 January 2021 the sale was completed. The Company had an indirect investment in the Canadian business via its subsidiary undertaking, Centrica Overseas Holdings Limited. Centrica Overseas Holdings Limited is the immediate parent company of Centrica Gamma Holdings Limited, which is the entity that disposed of Direct Energy Marketing Limited. None of the profits from this disposal have been distributed to the Company by the date the financial statements were signed. The realisation of profit on the Canadian business from this sale resulted in the reversal of an impairment provision of £160,716,000 over the investment in Centrica Overseas Holdings Limited, as detailed in note 7.

On 5 March 2021 the Company sold its Staines Riverside property to Big Yellow Self Storage Company Limited for consideration of £20,000,000 (exclusive of VAT), resulting in a profit on disposal of £2,000 in 2021 financial year.

On 11 March 2021 the Company sold its Staines Lakeside freehold property to Stonegate Homes (Staines) Limited. Consideration of £10,810,000 (exclusive of VAT) was received by the Group, of which, £1,910,000 was allocated to the Company on the basis of the proportion of the asset costs relating to this property across Group companies, resulting in a profit on disposal of £960,000 in 2021 financial year.

On 31 July 2021 the Company sold its investment in Centrica PB Limited to Whitetower Holdings UK Limited for consideration of £20,819,000, subject to working capital adjustments, resulting in a profit on disposal of £11,289,000.