

Registration number: 03922153

Centrica Overseas Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



Centrica Overseas Holdings Limited

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Centrica Overseas Holdings Limited

Strategic Report for the Year Ended 31 December 2020

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

Principal activity

The principal activity of the Company is to act as an investment holding company.

Section 172(1) 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 instance, in light of the uncertainty arising from the COVID pandemic 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.

(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 an investment 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.

Centrica Overseas Holdings Limited

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

Section 172(1) Statement (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.

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 £824,186,000 (2019: £892,138,000). The loss for the financial year ended 31 December 2020 was £67,952,000 (2019: £29,358,000 profit).

In 2020 the Company recognised a provision for expected credit losses on financial assets, in respect of amounts receivable from Group undertakings, of £26,841,000 (2019: £nil).

On 28 November 2019 the Company acquired 100% of the shares in Bord Gáis Energy Limited for consideration of €479,000,000 (£408,501,000) and 100% of the shares in Centrica Energy Trading A/S for consideration of DKK 2,162,000 (£246,784,000) from Centrica Nederland BV.

See note 9 for further details of the Company's investments.

In 2019 the Company recognised an impairment of £53,370,000 in its investment in Centrica Finance Norway.

In 2019 the Company recognised an impairment provision of £694,357,000 in its investment in Centrica Nederlands BV.

See note 2 for further details of the Company's impairment testing policy and note 5 for details of impairments and impairment reversals.

Centrica Overseas Holdings Limited

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

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.

The Company is exposed to interest rate risks linked to Centrica plc Group's ('the Group') cost of funds. Centrica plc manages the interest rate risk on long-term borrowings in line with the Group policy by ensuring the exposure to floating point interest rates remain in the range 30% to 70% including the impact of interest rate derivatives.

The Company is exposed to changes in the exchange rate of Pounds Sterling to Canadian Dollars, Euros and Norwegian Krone. This is managed by having matching assets and liabilities in each currency. Some of the assets are investments which are not revalued resulting in a risk on re-translation of working capital balances. The Directors are satisfied that in the long term the level of risk is acceptable for the Company and in the short term is consistent with the hedging policies of the Group.

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.

Exit from the European Union

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. It is unclear whether a trade deal will be agreed with the European Union during 2020 or the transition period will end without terms being agreed. 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.

Centrica Overseas Holdings Limited

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

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 5 January 2021, the Group sold its North American supply, services and trading business, Direct Energy, to NRG Energy Inc. The Company has indirect investments in the Canadian business of Direct Energy, via its subsidiary undertaking, Centrica Gamma Holdings Limited, which were disposed of as part of the transaction.

The Company will continue its principal activity of acting as an investment holding company for the foreseeable future.

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. 03922153

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

Centrica Overseas 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 Redcliffe (resigned 17 April 2020)

J Campbell (resigned 30 September 2020)

K B Ringrose (resigned 26 July 2021)

G J Kendall (appointed 17 April 2020)

R Roy (appointed 30 September 2020)

The following director was appointed after the year end:

M Blake (appointed 26 July 2021)

Results and dividends

The results of the Company are set out on page 12. The loss for the financial year ended 31 December 2020 is £67,952,000 (2019: £29,358,000 profit).

The Company did not pay an interim dividend to its immediate parent undertaking GB Gas Holdings Limited (2019: £nil). The Directors do not recommend the payment of a final dividend (2019: £nil).

Financial instruments

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.

The Company's policy for the management of risk in relation to its financial instruments is included in the Strategic Report on page 3.

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.

Centrica Overseas Holdings Limited

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

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

Non-adjusting events after the financial period

On 5 January 2021, the Group sold its North American supply, services and trading business, Direct Energy, to NRG Energy Inc. The Company has indirect investments in the Canadian business of Direct Energy, via its subsidiary undertaking, Centrica Gamma Holdings Limited, which were disposed of as part of the transaction.

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.

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.

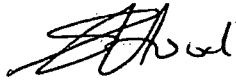
Centrica Overseas Holdings Limited

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

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. 03922153

Registered office:

Millstream

Maidenhead Road

Windsor

Berkshire

SL4 5GD

United Kingdom

Centrica Overseas Holdings Limited

Independent Auditors' Report to the Members of Centrica Overseas Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Centrica Overseas 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 loss 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 16.

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.

Centrica Overseas Holdings Limited

Independent Auditors' Report to the Members of Centrica Overseas Holdings Limited (continued)

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

We have nothing to report in this regard.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the documentation of the policies and procedures relating to fraud and compliance with laws and regulations that has been established by the Company's ultimate parent. We also enquired of management 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.

Centrica Overseas Holdings Limited

Independent Auditors' Report to the Members of Centrica Overseas 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.

Centrica Overseas Holdings Limited

Independent Auditors' Report to the Members of Centrica Overseas Holdings Limited (continued)

Use of our report

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

D. Winstone

Daryl Winstone (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: **29** September 2021

Centrica Overseas Holdings Limited

Income Statement for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Operating costs		2,148	(287)
Exceptional items - net impairment charge	5	-	(747,727)
Exceptional items - provision charge for credit losses on financial assets	5	<u>(26,841)</u>	<u>-</u>
Operating loss		<u>(24,693)</u>	<u>(748,014)</u>
Income from shares in Group undertakings	6	-	800,892
Finance income	6	65,456	71,418
Finance costs	6	<u>(108,647)</u>	<u>(99,982)</u>
Net finance cost		<u>(43,191)</u>	<u>(28,564)</u>
(Loss)/profit before taxation		(67,884)	24,314
Taxation (charge)/credit on (loss)/profit	8	<u>(68)</u>	<u>5,044</u>
(Loss)/profit for the year		<u><u>(67,952)</u></u>	<u><u>29,358</u></u>

The above results were derived from continuing operations.

Centrica Overseas Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020 £ 000	2019 £ 000
(Loss)/profit for the year	<u>(67,952)</u>	<u>29,358</u>
Other comprehensive income	<u>--</u>	<u>-</u>
Total comprehensive (expense)/income for the year	<u><u>(67,952)</u></u>	<u><u>29,358</u></u>

The notes on pages 16 to 32 form an integral part of these financial statements.

Centrica Overseas Holdings Limited

Statement of Financial Position as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Non-current assets			
Investments	9	1,600,371	1,600,371
Deferred tax assets	8	<u>8</u>	<u>7</u>
		<u>1,600,379</u>	<u>1,600,378</u>
Current assets			
Trade and other receivables	10	1,321,919	1,168,685
Cash and cash equivalents		<u>-</u>	<u>66</u>
		<u>1,321,919</u>	<u>1,168,751</u>
Total assets		<u>2,922,298</u>	<u>2,769,129</u>
Current liabilities			
Borrowings	11	(340)	-
Trade and other payables	12	(2,097,703)	(1,876,991)
Current tax liabilities	8	<u>(69)</u>	<u>-</u>
		<u>(2,098,112)</u>	<u>(1,876,991)</u>
Net current liabilities		<u>(776,193)</u>	<u>(708,240)</u>
Total assets less current liabilities		<u>824,186</u>	<u>892,138</u>
Total liabilities		<u>(2,098,112)</u>	<u>(1,876,991)</u>
Net assets		<u>824,186</u>	<u>892,138</u>
Equity			
Share capital	13	430,000	430,000
Retained earnings		<u>394,186</u>	<u>462,138</u>
Total equity		<u>824,186</u>	<u>892,138</u>

The financial statements on pages 12 to 32 were approved and authorised for issue by the Board of Directors on 29. September 2021 and signed on its behalf by:



M Blake
Director

Company number 03922153

The notes on pages 16 to 32 form an integral part of these financial statements.

Centrica Overseas Holdings Limited

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

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2020	430,000	462,138	892,138
Loss for the year	-	(67,952)	(67,952)
Total comprehensive income	-	(67,952)	(67,952)
At 31 December 2020	430,000	394,186	824,186

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2019	430,000	432,780	862,780
Profit for the year	-	29,358	29,358
Total comprehensive income	-	29,358	29,358
At 31 December 2019	430,000	462,138	892,138

Centrica Overseas Holdings Limited

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

1 General information

Centrica Overseas 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;

Centrica Overseas 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 IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures' have not been provided apart from those which are relevant for the financial instruments which are held at fair value; and
- certain disclosures required by IFRS 3 'Business Combinations' in respect of business combinations undertaken by the Company.

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.

Centrica Overseas 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.

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.

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.

Dividend income

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

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.

Centrica Overseas 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.

The amount of deferred tax provided is based on the expected manner of realisation or settlement using tax rates that have been enacted or substantively enacted at the reporting date.

Investments in subsidiaries

Fixed asset investments in subsidiaries are held at deemed cost on transition to FRS 101 and in accordance with IAS 27 'Separate Financial Statements', less any provision for impairment as necessary.

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.

Centrica Overseas 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 method less an allowance for expected credit losses.

- 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.

Centrica Overseas 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.

- Loans and other borrowings

All interest-bearing and interest-free loans and other borrowings are initially recognised at fair value net of directly attributable transaction costs. After initial recognition, these financial instruments are measured at amortised cost using the effective interest 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

The Company undertakes an annual review process of its investments in subsidiaries, associates and joint ventures as well as related receivables for indicators of impairment and tests for impairment where such an indicator arises.

The impairment review process did not result in the recognition of an impairment of these investments. The total amount irrecoverable in respect of investments as at 31 December 2020 is £989,653,000 (2019: £989,653,000), see note 9.

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 the Company made a provision for expected credit losses on financial assets, in respect of amounts receivable from Group undertakings, of £26,841,000 (2019: £nil).

Centrica Overseas Holdings Limited

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

4 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.

5 Exceptional items

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

	2020 £ 000	2019 £ 000
Exceptional items - net impairment reversal/(charge) ^{(i) (ii)}	-	(747,727)
⁽ⁱⁱⁱ⁾ Exceptional items - provision charge for credit losses on financial assets	(26,841)	-
	<u>(26,841)</u>	<u>(747,727)</u>

⁽ⁱ⁾ In 2019 an impairment charge of £53,370,000 was made in respect to the Company's investment in Centrica Finance Norway Limited, which reflects a diminution of the net assets of the Company.

⁽ⁱⁱ⁾ In 2019 an impairment provision of £694,357,000 was made in respect of the Company's investment in Centrica Nederlands BV following the sale of their investments, and subsequent distribution of retained earnings, to the Company.

⁽ⁱⁱⁱ⁾ The Company made a provision for credit losses on financial assets of £26,841,000 (2019: £nil), this provision relates to amounts owed by Group undertakings.

See note 2 for further details of the Company's impairment testing policy.

6 Net finance income/cost

Income from shares in Group undertakings

	2020 £ 000	2019 £ 000
Centrica Nederland BV	-	750,031
Centrica Finance Norway Limited	-	50,861
Total income from shares in Group undertakings	<u>-</u>	<u>800,892</u>

Finance income

	2020 £ 000	2019 £ 000
Interest income from amounts owed by Group undertakings	65,456	54,277
Net foreign exchange gains on financing transactions	-	17,141
Total finance income	<u>65,456</u>	<u>71,418</u>

Centrica Overseas Holdings Limited

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

6 Net finance income/cost (continued)

Finance cost

	2020 £ 000	2019 £ 000
Interest on amounts owed to Group undertakings	(105,199)	(99,982)
Net foreign exchange losses on financing transactions	(3,448)	-
Total finance costs	(108,647)	(99,982)
Net finance costs	(43,191)	(28,564)

7 Auditors' remuneration

Auditors' remuneration totalling £10,000 (2019: £10,000) 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.

8 Income tax

Tax credited in the Income Statement

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax at 19% (2019: 19%)	(69)	5,045
Deferred taxation		
Changes in tax rates	1	(1)
Taxation on profit	(68)	5,044

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 is not expected to be material.

Centrica Overseas Holdings Limited

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

8 Income tax (continued)

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

	2020 £ 000	2019 £ 000
(Loss)/profit before tax	<u>(67,884)</u>	<u>24,314</u>
Tax on profit at standard UK corporation tax rate of 19% (2019: 19%)	12,898	(4,620)
Decrease from effect of revenues exempt from taxation	-	152,169
Increase from effect of expenses not deductible in determining taxable profit	(4,757)	(142,504)
Increase arising from group relief tax reconciliation	(8,080)	(463)
Increase from transfer pricing adjustments	(61)	463
Increase arising from Controlled Foreign Company tax charge	(69)	-
Deferred tax (credit) expense relating to changes in tax rates or laws	<u>1</u>	<u>(1)</u>
Total tax (charge)/credit	<u>(68)</u>	<u>5,044</u>

Deferred tax

The deferred tax balance of £8,000 (2019: £7,000) arises on tax losses and is recoverable after more than one year. There is no unrecognised deferred tax in 2020 or 2019.

Centrica Overseas Holdings Limited

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

9 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2019	2,067,612
Additions ^{(i) (ii)}	655,285
Return of capital ⁽ⁱⁱⁱ⁾	<u>(132,873)</u>
At 31 December 2019	<u>2,590,024</u>
At 1 January 2020	<u>2,590,024</u>
At 31 December 2020	<u>2,590,024</u>
Provision	
At 1 January 2019	(241,926)
Impairments provided in the year	<u>(747,727)</u>
At 31 December 2019	<u>(989,653)</u>
At 1 January 2020	<u>(989,653)</u>
At 31 December 2020	<u>(989,653)</u>
Net book value	
At 31 December 2020	<u>1,600,371</u>
At 31 December 2019	<u>1,600,371</u>

⁽ⁱ⁾ On 28 November 2019 the Company purchased 1 ordinary share in Bord Gáis Energy Limited for €479,000,000 (£408,501,000) from another Group company.

⁽ⁱⁱ⁾ On 28 November 2019 the Company acquired 84,998,992 Ordinary A shares and 38,508,160 Ordinary B shares in Centrica Energy Trading A/S for a consideration of DKK 2,162,000 (£246,784,000) from another Group company.

⁽ⁱⁱⁱ⁾ On 2 April 2019 the Company received a return of capital of NOK 1,500,000,000 (£132,873,000) from its investment in Centrica Finance Norway Limited, in the form of a capital repayment.

Centrica Overseas Holdings Limited

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

9 Investments (continued)

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

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Bord Gáis Energy Limited*	Energy supply and power generation	1 Warrington Place, Dublin 2, Republic of Ireland	Ordinary shares	100%	100%
Bord Gáis Energy Trustees DAC (Designated Activity Company)	Pension trustee company	1 Warrington Place, Dublin 2, Republic of Ireland	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 Limited	Delta Dormant	33-37 Athol Street, Douglas, IM1 1LB, Isle of Man	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 Finance (Canada) Limited	Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%
Centrica Finance Norway Limited*	Dormant	47 Esplanade, St Helier, JE1 0BD, Jersey	Ordinary shares	100%	100%
Centrica Holdings Limited*	Gamma Holding company	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom	Ordinary shares	100%	100%

Centrica Overseas Holdings Limited

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

9 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Centrica Canada Inc. (i)	Hive Energy management products and services	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Ordinary shares	100%	100%
Centrica Hive Srl	Energy management products and services	Via Paleocapa Pietro 4, 20121, Milano, Italy	Ordinary shares	100%	100%
Centrica India Offshore Private Limited*	Business services	G-74, LGF, Kalkaji, New Delhi, South Delhi, 110019, India	Ordinary shares	100%	100%
Centrica Nederland BV*	Holding company	Wiegerbruinlaan 2A, 1422 CB Uithoorn, Netherlands	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%
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.) Limited (i)	Energy supply and/or services	500 Burrard Street, Suite 2900, Vancouver BC V6C 0A3, Canada	Ordinary shares	100%	100%
Direct Holdings (Alberta) Inc. (i)	Energy Home and/or commercial services	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Ordinary shares	100%	100%
Direct HVAC Services Ltd. (i)	Energy Home and/or commercial services	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Ordinary shares	100%	100%
Direct Marketing Limited (i)	Energy supply and/or services	Bay Adelaide Centre, 333 Bay Street, Suite 2400, Toronto ON, M5H 2T6, Canada	Ordinary shares	100%	100%
Io Tahoe Ukraine LLC	Data management	20 A Heroiev Stalingrada Avenue, Kyiv 04210, Ukraine	Participatory interest	100%	100%

Centrica Overseas Holdings Limited

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

9 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Neas Limited	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%
Direct Partnership (i)	Energy supply	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Membership interest	100%	100%
Direct Resources Partnership	Holding entity	350 7th Avenue SW, Suite 3400, Calgary AB T2P 3N9, Canada	Membership interest	100%	100%
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 Ideas Limited	Development of flexible power generation sites	1 Warrington Place, Dublin 2, Republic of Ireland	Ordinary shares	50%	50%
Vindpark Keblowo ApS	Operation of an onshore windfarm	Mariagervej 58B, DK 9500 Hobro, Denmark	Ordinary shares	50%	50%

* indicates direct investment of the Company

See note 2 for further details of the Company's impairment testing policy.

(i) 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.

10 Trade and other receivables

	2020 Current £ 000	2019 Current £ 000
Amounts owed by Group undertakings	<u>1,321,919</u>	<u>1,168,685</u>

Amounts owed by Centrica plc of CAD\$ 895,783,000 (£514,150,000) (2019: CAD\$ 853,653,000 (£496,439,000)) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds on the last day of the preceding quarter, with interest payable monthly in arrears and are repayable on demand. Interest rates ranged from 4.87 % to 5.92% (2019: 5.54% to 6.10%).

Centrica Overseas Holdings Limited

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

10 Trade and other receivables (continued)

Amounts owed by Centrica plc of DKK 3,387,813,000 (£407,529,000) (2019: DKK 2,048,589,000 (£231,972,000)) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds on the last day of the preceding quarter with interest payable monthly in arrears and are repayable on demand. Interest rates ranged from 3.52% to 4.14% (2019: 3.03% to 3.70%).

Amounts owed by Centrica plc of HUF 670,109,000 (£1,654,000) (2019: HUF 528,973,000 (£1,330,000)) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds on the last day of the preceding quarter with interest payable monthly in arrears and are repayable on demand. Interest rates ranged from 4.12% to 5.20% (2019: 3.48% to 4.37%).

Amounts owed by Centrica plc of £138,057,000 (2019: £130,511,000) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds on the last day of the preceding quarter with interest payable monthly in arrears and are repayable on demand. Interest rates ranged between 4.42% and 4.73% per annum (2019: 4.20% and 4.89%).

Amounts owed by Centrica plc of £11,614,000 (2019: £21,079,000) are unsecured and interest free and repayable on demand. £8,799,000 relates to Group relief (2019: £8,485,000).

Amounts owed by GB Gas Holdings Limited, the immediate parent undertaking, of £247,067,000 (2019: £235,918,000) bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds as adjusted for credit risk and are unsecured and repayable on demand. The quarterly rates ranged between 4.42% and 4.73% (2019: 4.20% and 4.90%).

Amounts owed by Centrica Business Solutions Italia S.R.L (Formerly ENER-G Italia S.R.L.) of €18,103,000 (£16,204,000) (2019: €17,152,000 (£14,509,000)) are unsecured, bear interest at a quarterly rate linked to the Group cost of funds as adjusted for credit risk. The quarterly rates ranged between 3.53% and 3.93% (2019: 4.18% and 4.89%). The loan is unsecured and repayable on demand.

Amounts owed by Centrica Business Solutions Romania S.R.L (Formerly ENER-G Technologi Energetice S.R.L.) of RON 10,098,000 (£1,857,000) (2019: RON 9,000,000 (£1,601,000)) bear interest at a quarterly rate linked to the Group cost of funds currency as adjusted for credit risk. The quarterly rates ranged between 6.25% and 6.94% (2019: 7.47% and 8.21%). The loan is unsecured and repayable on demand.

Amounts owed by Centrica Business Solutions Belgium N.V. (Formerly REstore N.V.) of €3,500,000 (£3,133,000) (2019: €15,900,000 (£13,455,000)) bear interest at a quarterly rate linked to the Group cost of funds currency as adjusted for credit risk. The quarterly rates ranged between 3.53% and 3.93% (2019: 3.90% to 4.61%). The loan is unsecured and repayable on demand.

Amounts owed by Centrica Business Solutions México S.A. de C.V. of MXN 176,469,000 (£6,492,000) (2019: MXN 27,215,000 (£1,132,000)) bear interest at a quarterly rate linked to the Group cost of funds currency as adjusted for credit risk. The quarterly rates ranged between 9.25% and 11.64% (2019: 11.66% and 17.09%). The loan is unsecured and repayable on demand.

Amounts owed by Centrica Business Solutions Ireland Limited of €102,000 (£91,000) (2019: €1,141,000 (£966,000)) are unsecured, bear interest at a quarterly rate linked to the Group cost of funds as adjusted for credit risk. The quarterly rates ranged between 3.53% and 3.93% (2019: 4.96% and 5.67%). The loan is unsecured and repayable on demand.

Amounts owed by REstore Deutschland GmbH of €900,000 (£806,000) (2019: Enil (£nil)) bear interest at a quarterly rate linked to the Group cost of funds currency as adjusted for credit risk. The quarterly rates ranged between 3.53% and 3.93%. The loan is unsecured and repayable on demand.

Other balances totalling £106,000 (2019: £509,000) are unsecured and interest free and consists of accrued interest.

Centrica Overseas Holdings Limited

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

10 Trade and other receivables (continued)

In 2019 amounts owed by REstore France SAS of €800,000 (£677,000)) bore interest at a quarterly rate linked to the Group cost of funds currency as adjusted for credit risk. The quarterly rates ranged between 4.16% and 4.87%. The loan is unsecured and repayable on demand.

In 2019 amounts owed by Centrica Energy Trading A/S (formerly Neas Energy A/S) of DKK 100,529,000 (£11,437,000) bore interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds as adjusted for credit risk and are unsecured and repayable on demand. The quarterly rates ranged between 3.10% and 3.77%.

In 2019 amounts owed by Centrica Nederland BV of €8,452,000 (£7,150,000) were unsecured, bore interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 3.02% and 3.73%.

Amounts owed by Group undertakings include credit loss provisions of £26,841,000 (2019: £nil).

11 Loans and borrowings

	31 December 2020 £ 000	31 December 2019 £ 000
Bank overdrafts	<u>(340)</u>	<u>-</u>

Bank overdrafts

Bank overdrafts are repayable on demand and attract variable interest of LIBOR plus 1%.

12 Trade and other payables

	2020 Current £ 000	2019 Current £ 000
Amounts owed to Group undertakings	<u>(2,097,703)</u>	<u>(1,876,991)</u>

Amounts owed to Centrica plc of CAD\$ 285,000,000 (£164,360,000) (2019: CAD\$ 285,000,000 (£165,711,000)) are unsecured and bear interest at a quarterly rate. The quarterly rates ranged between 4.87% and 5.92% (2019: 5.54% and 6.10%).

Amounts owed to Centrica plc of €408,147,000 (£365,334,000) (2019: €506,718,000 (£357,215,000)) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds and are repayable on demand. The quarterly rates ranged between 3.53% and 3.93% (2019: 3.02% and 3.73%).

Amounts owed to Centrica plc of NOK 3,105,822,000 (£265,055,000) (2019: NOK 3,014,260,000 (£252,768,000)) are unsecured, accrue interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds and are repayable on demand. The quarterly rates ranged between 4.62% and 5.77% (2019: 4.53% and 5.76%).

Amounts owed to Centrica plc of \$2,587,000 (£1,894,000) (2019: \$567,000 (£427,000)) are unsecured, accrue interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds and are repayable on demand. The quarterly rates ranged between 4.60% and 5.87% (2019: 5.96% and 6.32%).

Centrica Overseas Holdings Limited

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

12 Trade and other payables (continued)

Amounts owed to Centrica plc of RON 1,305,000 (£240,000) (2019: RON 1,028,000 (£32,000)) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds on the last day of the preceding quarter with interest payable monthly in arrears and are repayable on demand. Interest rates ranged from 6.25% to 6.94% (2019: 6.32% to 7.06%).

Amounts owed to Centrica plc of MEX 144,312,000 (£5,309,000) (2019: MEX 29,815,000 (£1,188,000)) are unsecured, accrue interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds and are repayable on demand. The quarterly rates ranged between 9.25% and 11.64% (2019: 12.09% and 12.41%).

Amounts owed to Bord Gáis Energy Limited of €195,340,000 (£174,849,000) (2019: €121,833,000 (£102,029,000)) bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds as adjusted for credit risk and are unsecured and repayable on demand. The quarterly rates ranged between 3.53% and 3.93% (2019: 3.02% and 3.73%) per annum.

Amounts owed to Centrica Business Solutions Zrt (formerly ENER-G Energia Technolgiai Zrt) of HUF 1,942,667,000 (£4,796,000) (2019: HUF 1,143,314,000 (£2,930,000)) bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds as adjusted for credit risk and are unsecured and repayable on demand. The quarterly rates ranged between 4.12% and 5.20% (2019: 3.70% and 4.59%) per annum.

Amounts owed to Centrica Business Solutions BV (formerly ENER-G Nedale BV) of €5,300,000 (£4,744,000) (2019: €3,350,000 (£2,836,000)) bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds as adjusted for credit risk and are unsecured and repayable on demand. The quarterly rates ranged between 3.53% and 3.93% (2019: 3.02% and 3.73%) per annum.

Amounts owed to Centrica Finance Canada Limited totalling CAD\$ 1,809,297,000 (£1,038,477,000) (2019: CAD\$ 1,710,783,000 (£991,586,000)) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds on the last day of the preceding quarter with interest payable monthly in arrears, and are repayable on demand. The quarterly rates ranged between 4.87% and 5.92% (2019: 5.54% and 6.10%).

Amounts owed by Centrica Energy Trading A/S (formerly Neas Energy A/S) of DKK 570,151,000 (£68,585,000) (2019: receivable) bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds as adjusted for credit risk and are unsecured and repayable on demand. The quarterly rates ranged between 3.52% and 4.14%.

Amounts owed by Centrica Nederland BV of €3,702,000 (£3,314,000) are unsecured, bear interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 3.53% and 3.93%.

Other Group creditors of £746,000 (2019: £269,000) are interest free and repayable on demand and consists of accrued interest.

All amounts are unsecured.

Centrica Overseas Holdings Limited

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

13 Capital and reserves

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>430,000,004</u>	<u>430,000,004</u>	<u>430,000,004</u>	<u>430,000,004</u>

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 shareholder of the Company at the reporting date.

The profit and loss account includes profits of £67,500,000 (2019: £67,500,000) that arose during 2005 and are not available for distribution by the Company.

14 Dividends

The Company did not pay an interim dividend in 2020 (2019: £nil to its immediate parent undertaking, GB Gas Holdings Limited. The Directors do not recommend the payment of a final dividend (2019: £nil).

15 Parent and ultimate parent undertaking

The immediate parent undertaking is GB Gas 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.

Relationship between entity and parents

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

The registered 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.

16 Non adjusting events after the financial period

On 5 January 2021, the Group sold its North American supply, services and trading business, Direct Energy, to NRG Energy Inc. The Company has indirect investments in the Canadian business of Direct Energy, via its subsidiary undertaking, Centrica Gamma Holdings Limited, which were disposed of as part of the transaction. There have been no further non-adjusting significant events affecting the Company after the year end.