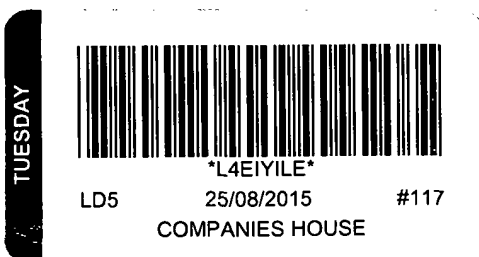


Registered Number: 04594558

Centrica (Horne & Wren) Limited
Annual Report and Financial Statements
for the year ended 31 December 2014



Centrica (Horne & Wren) Limited

Registered No: 04594558

Directors

N W Lumley
R A Lumsden
M B Nicol

Company Secretary

Centrica Secretaries Limited

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
32 Albyn Place
Aberdeen
AB10 1YL

Solicitors

Burness Paull
1 Union Wynd
Aberdeen
AB10 1SL

Registered office

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica (Horne & Wren) Limited

Annual Report and Financial Statements for the year ended 31 December 2014

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Centrica (Horne & Wren) Limited

Directors' Report for the year ended 31 December 2014

The Directors present their report and the audited Financial Statements of Centrica (Horne & Wren) Limited (the "Company") for the year ended 31 December 2014.

Principal activities

The principal activity of the Company is the exploration and development of gas reserves. The Company continues to primarily focus on the United Kingdom sector of the North Sea (UKCS). While commencing the decommissioning phase of the Horne & Wren field, the realisation of the company's investment in the Centrica Gas Production LP (CGPLP) on the winding up of the partnership during the year, leaves the Company well placed to continue to actively invest in the UKCS. In addition, during the year, the decision was taken to market for sale the Company's interests in Trinidad's Block 1a, which was being explored with a view to future development, through the Trinidad branch of the Company.

Business review

The Company meets the requirements of a small entity under the Companies Act 2006 Section 382 and therefore the Company is exempt from disclosing further information in line with the business review and strategic report requirements.

Future developments

In the short-term, the Company will continue with the decommissioning of the Horne & Wren field, however, with the proposed sale of Trinidad's Block 1a, and the realisation of the Company's investment in CGPLP, the Company is in a good position to take advantage of opportunities to continue to actively invest in the UKCS.

Results and dividends

The results of the Company are set out on page 6.

The profit for the financial year ended 31 December 2014 amounted to £155,569,000 (2013: £69,378,000). The Directors paid an interim dividend during the year of £400,000,000 (2013: £nil). The Directors recommend that no final dividend be paid (2013: £nil).

Financial position

The financial position of the Company is presented in the Balance Sheet on page 7. Total shareholders' funds at 31 December 2014 were £142,578,000 (2013: £386,579,000).

Principal risks and sources of uncertainty

From the perspective of the Company the principal risks and uncertainties are integrated with the principal risks of the Centrica plc group (the 'Group') and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are disclosed on pages 40-45 of the 2014 Annual Report and Accounts of the Group which does not form part of this report.

In the current and prior year the Company did not take part in hedging of any kind.

Key performance indicators (KPIs)

The directors of Centrica plc manage the Group on a divisional basis. For this reason, the Company's Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development and performance, which includes the Company, are discussed on pages 18-19 of the 2014 Annual Report and Accounts of the Group which does not form part of this report.

Centrica (Horne & Wren) Limited

Directors' Report for the year ended 31 December 2014 (continued)

Post Balance Sheet event

In light of changed circumstances the Group launched a fundamental strategic review in February, focused on: i) outlook and sources of growth; ii) portfolio mix and capital intensity; iii) operating capability and efficiency; and iv) Group financial framework. The conclusions of the strategic review were announced on 30 July 2015 as part of the Centrica plc interim results. The impact of this strategic review on the Company is yet to be fully determined but it will be the focus of the Directors during the remainder of 2015.

Directors

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

N W Lumley	(appointed 1 January 2014)
R A Lumsden	(appointed 5 June 2015)
M B Nicol	(appointed 31 January 2015)
C McCallum	(resigned 1 January 2014)
S Sambhi	(resigned 1 January 2014)
I D Bartholomew	(resigned 31 October 2014)
G C McKenna	(resigned 31 January 2015)
R Ozsanlav	(appointed 28 February 2014 & resigned 5 June 2015)

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 under review and up to the date of signing of the Financial Statements. 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 Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Centrica (Horne & Wren) Limited

Directors' Report for the year ended 31 December 2014 (continued)

Disclosure of information to auditors

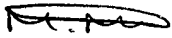
Each of the Directors who held office at the date of approval of this Directors' report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the board on 13 August 2015



MATTHEW MADLEY

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

13 August 2015

Company registered in England and Wales. No 04594558

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Centrica (Horne & Wren) Limited

Independent Auditors' Report to the members of Centrica (Horne & Wren) Limited

Report on the financial statements

Our opinion

In our opinion, Centrica (Horne & Wren) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Centrica (Horne & Wren) Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account and Statement of Recognised Gains and Losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Centrica (Horne & Wren) Limited

Independent Auditors' Report to the members of Centrica (Horne & Wren) Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
August 2015

Centrica (Horne & Wren) Limited

Profit and Loss Account for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Turnover	2	-	15
Cost of sales		-	(1,460)
Gross result/(loss)		-	(1,445)
Administrative (expenses)/income		(13,840)	415
Impairment of intangible assets	10	(3,383)	-
Operating loss	3	(17,223)	(1,030)
Distributions received	5	658,723	-
Interest receivable and similar income	6	-	5
Interest payable and similar charges	7	(8,396)	(12,522)
Profit/(loss) on ordinary activities before taxation		633,104	(13,547)
Tax on profit/(loss) on ordinary activities	8	(477,535)	82,925
Profit for the financial year	18	155,569	69,378

All activities relate to continuing operations.

There is no material difference between historical cost profits and the profit/(loss) on ordinary activities before taxation and profit for the financial year as stated above.

A statement of movements in shareholders' funds is shown in note 18.

The notes on pages 8 to 16 form part of these Financial Statements.

Statement of Total Recognised Gains and Losses for the year ended 31 December 2014

	2014 £000	2013 £000
Profit for the financial year	155,569	69,378
Translation of foreign currency balances in the year	430	(286)
Total recognised gains relating to the year	155,999	69,092

The notes on pages 8 to 16 form part of these Financial Statements.

Centrica (Horne & Wren) Limited

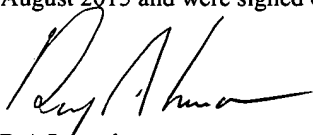
Balance Sheet as at 31 December 2014

	Note	2014 £000	2013 £000
Fixed assets			
Intangible assets	10	3,209	5,973
Investments	11	-	459,622
Deferred tax asset	15	7,556	438,735
		10,765	904,330
Current assets			
Debtors	12	243,978	886
Cash at bank and in hand		115	97
		244,093	983
Current liabilities			
Creditors - amounts falling due within one year	13	(96,874)	(514,778)
Net current assets/(liabilities)		147,219	(513,795)
Total assets less current liabilities		157,984	390,535
Provisions for liabilities	14	(15,406)	(3,956)
Net assets		142,578	386,579
Capital and reserves			
Called up share capital	16	-	-
Translation reserve	17	(149)	(579)
Profit and loss account	17	142,727	387,158
Total shareholder's funds	18	142,578	386,579

The notes on pages 8 to 16 form part of these Financial Statements.

The Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Financial Statements on pages 6 to 16 were approved and authorised for issue by the Board of Directors on 13 August 2015 and were signed on its behalf by:



R A Lumsden
Director
Company No. 04594558

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014

1 Principal accounting policies

a) Basis of preparation

The Financial Statements have been prepared on the going concern basis under the historical cost convention in accordance with applicable UK accounting standards and the Companies Act 2006. The accounting policies, where applicable, are in accordance with the Statement of Recommended Practice (SORP) "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities" issued by the UK Oil Industry Accounting Committee on 7 June 2001. The following policies have been applied consistently to the Company's Financial Statements.

b) Exemptions

Consolidated Financial Statements

The Company is exempt from preparing consolidated Financial Statements under S400 of the Companies Act 2006. Its results are consolidated in the Financial Statements of Centrica plc, details of which are included in note 20 to these Financial Statements.

Cash Flow Statement and related party transactions

As the Company is a wholly owned subsidiary of GB Gas Holdings Limited which is a wholly owned subsidiary of Centrica plc, the Company has taken advantage of the exemptions within Financial Reporting Standard No.1 "Cash Flow Statements" from presenting a cash flow statement and within Financial Reporting Standard No. 8 "Related Party Disclosures" from disclosure of transactions with other companies that are part of the Centrica plc Group.

c) Foreign currencies

The Financial Statements of the Company are presented in pounds sterling, which is the Company's local currency. Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the Balance Sheet date.

The assets and liabilities of the Company's foreign branch operations are translated into pounds sterling at exchange rates prevailing on the Balance Sheet date. The results of foreign operations are translated into pounds sterling at average rates of exchange for the relevant period. Exchange differences arising from the retranslation of the opening net assets and results for the year are transferred to the Company's foreign currency translation reserve, a separate component of equity, and are reported in the Statement of Total Recognised Gains and Losses. In the event of the disposal of an operation with assets and liabilities denominated in a foreign currency, the cumulative translation difference arising in the foreign currency translation reserve is charged or credited to the Profit and Loss Account.

d) Cost of sales

Cost of sales include the cost of gas produced, related transportation, royalty costs, bought in materials and services, and direct labour and related overheads on installation works, repairs and service contracts.

e) Overlift and underlift

Offtake arrangements for oil and gas produced from jointly controlled operations are often such that it is not practical for each participant to receive or sell its precise share of the overall production during the period. This results in short-term imbalances between cumulative production entitlement and cumulative sales, referred to as overlift and underlift.

An overlift payable, or an underlift receivable, is recognised at the Balance Sheet date within Creditors or Debtors respectively and measured at market value, with movements in the period recognised within cost of sales.

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

1 Principal accounting policies (continued)

f) Intangible fixed assets

Intangible fixed assets, which comprise exploration and evaluation assets, are recognised in the Balance Sheet at cost. Exploration and evaluation assets are not amortised but if, on completion of evaluation, the exploration prospects are determined to be unsuccessful, the associated costs are expensed in the period that the determination is made.

g) Exploration, evaluation and development assets

Tangible assets are included in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses.

The Company uses the successful efforts method of accounting for exploration and evaluation expenditure. Exploration and evaluation expenditure associated with an exploration well, including acquisition costs related to exploration and evaluation activities, are capitalised initially as intangible assets. Certain expenditures, such as geological and geophysical exploration costs, are expensed. If the exploration prospects are determined, on completion of evaluation, to be successful the relevant expenditure, including licence acquisition costs, is transferred to tangible assets. If unsuccessful, the relevant expenditure is expensed in the period the determination is made.

All field development costs are capitalised as tangible assets. Such costs relate to the acquisition and installation of production facilities and include development drilling costs, project-related engineering and other technical services costs.

Production assets are depreciated using the unit of production method, based on the proven and probable reserves of those fields. Changes in these estimates are dealt with prospectively.

h) Fixed asset investments

Fixed asset investments are included in the Balance Sheet at cost, less any provision for impairment and investment income is recognised as distributions received. To the extent a distribution reduces the recoverable amount of the fixed asset investment, the value of the investment is reduced accordingly at the date of distribution. Otherwise distribution income is recognised in the profit and loss account.

i) Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net realisable value less costs to sell and value in use.

For gas and oil assets, the recoverable amount is determined by discounting the post-tax cash flows expected to be generated by the assets over their lives. The cash flows are derived from production profiles of each field, based predominantly on expected proved and probable reserves and take into account forward prices for gas and liquids over the relevant period. Where forward prices are not available, prices are determined based on internal model inputs. The recoverable amount also takes into account assumptions market participants would use in estimating fair value.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. These cash-generating units (CGUs) are aligned to the business unit and sub-business unit structure that the Company uses to manage its business. Cash flows are discounted in determining the recoverable amount.

j) Decommissioning costs

Provision is made for the net present value of the estimated cost of decommissioning of gas production facilities at the end of the producing lives of the fields, based on price levels and technology at the Balance Sheet date. When this provision gives access to future economic benefits, a corresponding decommissioning asset is recognised and is included as part of the associated development or producing asset and depreciated accordingly.

Changes in estimates of the cost of decommissioning, and changes to the discount rate, are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset. The unwinding of the discount on the provision is included in the Profit and Loss Account within interest payable and similar charges.

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

1 Principal accounting policies (continued)

k) Financial instruments

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Profit & Loss Account over the period of the borrowings using the effective interest method.

l) Dividends

Dividends on ordinary shares are not recognised as a liability or charged to equity until they have been approved by shareholders or paid in the case of interim dividends.

m) Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tax losses are surrendered or claimed in the form of group relief with consideration being received or paid accordingly. The group relief amount is recorded separately within the debtors and creditors amounts in the Balance Sheet, as applicable, and is calculated by applying the tax rate enacted or substantially enacted at the Balance Sheet date to the loss amount.

n) Commercial reserves

Commercial reserves are proven and probable developed and undeveloped oil and gas reserves as defined in the SORP.

2 Turnover

Turnover relates to the principal activity of the business and arose wholly in Trinidad.

3 Operating loss

The Company audit fee is paid by Centrica plc, the ultimate parent undertaking and is not recharged to the Company. An estimate of the fee attributable to the Company is £8,000 (2013: £8,000).

Auditors' remuneration relates to fees for the audit of the UK GAAP statutory Financial Statements of the Company and includes fees in relation to the audit of the IFRS Group consolidation schedules, for the purpose of the Centrica Group audit, which also contribute to the audit of Centrica (Horne & Wren) Limited.

A further £1,000 was paid to the auditors in relation to taxation compliance services (2013: £nil).

An impairment of £3,383,000 (2013: £nil) was recognised, as the Directors concluded that the carrying value of the assets was higher than the expected sales proceeds of Trinidad Block 1a.

Historic accrual releases were made during the prior year, totalling £1,005,000, resulting in a credit to administrative expenses.

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

4 Directors and employees

i) Directors' remuneration

- a) The aggregate emoluments paid to Directors in respect of their qualifying services were £139,948 (2013: £73,515).
- b) The aggregate value of company contributions paid to a pension scheme in respect of Directors' qualifying services were £14,199 (2013: £10,088).
- c) There were 3 Directors (2013: 2) to whom retirement benefits are accruing under a defined benefit pension schemes.
- d) There were 3 Directors (2013: 6) to whom retirement benefits are accruing under money purchase pension schemes.
- e) There were 4 Directors (2013: 8) who received shares in the ultimate parent company in respect of their qualifying services under a long-term incentive scheme.
- f) There were 3 Directors (2013: 5) who exercised share options relating to the ultimate parent company.

No compensation was paid to Directors for loss of office (2013: nil).

ii) Employee costs and numbers

The Company does not have any employees (2013: nil).

5 Distributions received

The Company received profit distributions of £785,040,000 and a further £333,305,000 return of capital on the dissolution of the Centrica Gas Production Limited Partnership. Of the £785,040,000 profit distribution, £126,316,953 was recorded against the cost of the investment as the recoverable value of the investment was deemed to be reduced subsequent to the distribution being made. The remaining £658,723,047 has been recognised in profit and loss as distribution income. See note 11 for further details.

6 Interest receivable and similar income

	2014 £000	2013 £000
Other interest receivable	-	5
	-	5

7 Interest payable and similar charges

	2014 £000	2013 £000
Interest payable on loans from Group undertakings (note 13)	8,188	12,430
Unwind of discount on decommissioning provision (note 14)	206	91
Other interest payable	2	1
	8,396	12,522

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

8 Tax on profit/(loss) on ordinary activities

(a) Analysis of tax charge/(credit)

The tax charge/(credit) comprises:

	2014 £000	2013 £000
Current tax:		
- UK corporation tax at 21.5% (2013: 23.25%)	14,728	32,069
- Additional charges applicable to upstream profits at 40.5% (2013: 38.75%)	31,259	57,761
- Adjustments in respect of prior years	369	(78,733)
Total current tax	46,356	11,097
Deferred tax:		
- Origination and reversal of timing differences	430,941	(94,199)
- Adjustments in respect of prior years	238	177
Tax charge/(credit) for the year	477,535	(82,925)

During the year, the Company was a partner in Centrica Gas Production Limited Partnership ("CGPLP"), a limited partnership that made sales from the North and South Morecambe gas and condensate fields. On 31 December 2014, the Centrica Gas Production Limited Partnership ceased to exist, with a final distribution made to the Company. The Company's share of CGPLP's profits for the year ended 31 December 2014 was £79,863,000 (2013: £152,229,000). As CGPLP was a transparent entity for tax purposes, the Company is subject to UK ring fence corporation tax and supplementary charge on its share of the profits, regardless of whether CGPLP made a distribution to the company. The Company is liable to corporation tax in respect of this income.

(b) Factors affecting the tax charge

The tax assessed for the year is lower (2013: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2014 of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit/(loss) on ordinary activities before tax	633,104	(13,547)
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 21.5% (2013: 23.25%)	136,117	(3,150)
Effects of:		
Timing differences not recognised	2,753	(6)
Depreciation in excess of capital allowances	328	(171)
UK-UK transfer pricing	(15)	-
Share of partnership income	(124,455)	35,396
Supplementary charge applicable to upstream profits	31,259	57,761
Adjustments in respect of prior years	369	(78,733)
Current tax charge for the year	46,356	11,097

The main rate of corporation tax was reduced from 23% to 21% from 1 April 2014. A further reduction to reduce the rate to 20% from 1 April 2015 was substantively enacted under Finance Act 2013 and has been reflected within these Financial Statements.

There was no change to the ring fence corporation tax rate of 30%. The supplementary charge rate was reduced under Finance Act 2015 from 32% to 20% with effect from 1 January 2015. This change was not substantively enacted at the Balance Sheet date and has not therefore been included in these Financial Statements.

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

9 Dividend paid

The Directors paid an interim dividend during the year of £400,000,000 (£400,000,000 per ordinary share) (2013: £nil). No final dividend was proposed (2013: £nil).

10 Intangible assets

	Exploration and evaluation assets £000
Cost	
As at 1 January 2014	5,973
Additions	229
Foreign exchange translation	390
As at 31 December 2014	6,592
Accumulated amortisation and impairment	
As at 1 January 2014	-
Impairment charge	(3,383)
As at 31 December 2014	(3,383)
Net book value as at 31 December 2014	3,209
Net book value as at 31 December 2013	5,973

During 2014, the decision was taken to market for sale the Company's interests in Trinidad. As part of this decision, the Directors concluded that the carrying value of the assets was higher than the expected sales proceeds. Accordingly, an impairment was recognised.

11 Fixed asset investments

	Investment in partnership undertaking £000
Cost and net book value as at 1 January 2014	459,622
Disposal	(459,622)
Cost and net book value as at 31 December 2014	-

The investment balance represented the Company's interest in the Centrica Gas Production Limited Partnership. This partnership had the objective of carrying on the business of extraction, production and sale of oil and gas. The partnership was a qualifying partnership under the Partnerships and Unlimited Companies (Accounts) Regulations of 1993.

On 31 December 2014, the Centrica Gas Production Limited Partnership ceased to exist. At the date of cessation, the partnership distributed all outstanding profits to the partners, resulting in distribution income of £785,040,000 to the Company. Of this amount, £126,316,953 was recorded against the value of the investment in recognition of the shortfall of the recoverable amount of the investment on return of capital assets from the partnership to the value of £333,305,000.

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

12 Debtors

	2014 £000	2013 £000
Amounts owed by Group undertakings	243,562	640
Other debtors	416	67
Group tax relief	-	179
	243,978	886

All amounts receivable from Group undertakings are interest-free, unsecured and repayable on demand.

13 Creditors – amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to Group undertakings	35,716	460,875
Accruals and deferred income	1,948	1,724
Corporation tax	59,210	52,179
	96,874	514,778

On 31 December 2014, the Company received a distribution from the Centrica Gas Production Limited Partnership along with a return of its initial capital investment and subsequently repaid outstanding funding balances from Group undertakings in relation to this investment. Accordingly, the amounts payable to Group undertakings include £nil (2013: £455,289,000) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 1.69 and 1.90% per annum during 2014 (2013: 2.34 and 3.19%). The other amounts payable to Group undertakings are interest-free. All amounts payable to Group undertakings are unsecured and repayable on demand.

14 Provisions for liabilities

	Decommissioning costs £000
As at 1 January 2014	3,956
Revisions	12,597
Utilisation of provision	(1,353)
Unwind of discount for the year (note 7)	206
As at 31 December 2014	15,406

Decommissioning costs

Provision has been made for the estimated net present cost of decommissioning gas production facilities at the end of their producing lives. The estimate has been based on proven and probable reserves, price levels and technology at the balance sheet date. The decommissioning payments are anticipated to occur between 2015 and 2019 (2013: 2014 and 2015).

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

15 Deferred tax asset

Movement on the deferred corporation tax asset in the year is analysed below:

	Deferred corporation tax £000
As at 1 January 2014	438,735
Profit and loss charge	(431,179)
As at 31 December 2014	7,556

Deferred corporation tax liability mainly at 62% (2013: 62%) is analysed as follows:

	Amounts provided	
	2014 £000	2013 £000
Accelerated capital allowances	(146)	(479)
Other timing differences	7,702	439,214
	7,556	438,735

16 Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid:		
1 (2013: 1) ordinary share of £1 each	1	1

17 Reserves

	Translation reserve £000	Profit and loss account £000	Total £000
At 1 January 2014	(579)	387,158	386,579
Profit for the financial year	-	155,569	155,569
Dividend paid	-	(400,000)	(400,000)
Translation of foreign currency balances in the year	430	-	430
At 31 December 2014	(149)	142,727	142,578

Centrica (Horne & Wren) Limited

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

18 Reconciliation of movements in shareholder's funds

	2014 £000	2013 £000
At 1 January	386,579	317,487
Profit for the financial year	155,569	69,378
Dividend paid	(400,000)	-
Foreign currency translation in the year	430	(286)
At 31 December	142,578	386,579

19 Commitments and contingent liabilities

The Company has contingent liabilities of £nil (2013: £438,664) in relation to purchase of exploration licenses in Trinidad.

Contracted future capital expenditure as at 31 December 2014 was £nil (2013: £nil).

20 Ultimate parent undertaking

The Company's immediate parent undertaking is GB Gas Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Centrica plc, a company registered in England and Wales, which is the largest and smallest group to consolidate the Company's Financial Statements. Copies of the Financial Statements of Centrica plc are available from www.centrica.com.