

Registration number: 05625463

# Centrica Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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# **Centrica Holdings Limited**

## **Contents**

Strategic Report	1 to 2
Directors' Report	3 to 5
Statement of Directors' Responsibilities	4
Independent Auditors' Report	6 to 8
Income Statement	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 42

# **Centrica Holdings Limited**

## **Strategic Report for the Year Ended 31 December 2017**

The Directors present their Strategic Report for Centrica Holdings Limited (the 'Company') for the year ended 31 December 2017.

### **Principal activities**

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

### **Review of the business**

The Company's Financial Statements have been prepared in accordance with the 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 11. Total equity as at 31 December 2017 was £1,991,102,000 (2016: £2,221,362,000). The profit for the financial year ended 31 December 2017 was £186,740,000 (2016: £1,017,585,000).

The Group makes contributions to its pension schemes under a series of asset backed contribution arrangements. As part of this on 4 January 2017 the Company made investment contributions of £516,700,000 to Finance Scotland 2016 Limited Partnership. The Company also transferred its interest in CF2016 LLP to Finance Scotland 2016 Limited Partnership for consideration of £1,066,800,000.

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties that the Company is exposed to are interest rate risks linked to the Group's cost of funds. The Group manages the interest rate risk on long-term borrowings in line with the Group policy by ensuring the exposure to floating point interest rates remains in the range 30% to 70%, including the impact of interest rate derivatives.

From the perspective of the Company, the principal risks and uncertainties are integrated with those of 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 52 to 62 of the Group's Annual Report and Accounts 2017, which does not form part of this report.

### **Key performance indicators ('KPI's')**

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

### **Future developments**

The Group continues to implement the results of the 2015 strategic review. This implementation includes a review of how the Group's businesses are structured and may result in future changes to underlying subsidiary business operations including those of the Company.

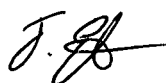
### **Exit from the European Union**

The UK referendum vote in June 2016 to leave 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. Many details of the implementation process continue to remain unclear. 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 Holdings Limited**

**Strategic Report for the Year Ended 31 December 2017 (continued)**

Approved by the Board on 11 September 2018 and signed on its behalf by:

  
J. ELLIOT

.....  
Company Secretary

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

Company registered in England and Wales, No. 05625463

Registered office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

## **Centrica Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2017**

The Directors present their report and the audited financial statements for the year ended 31 December 2017.

#### **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:

J Bell

I G Dawson

#### **Results and dividends**

The results of the Company are set out on page 9. The profit for the financial year ended 31 December 2017 is £186,740,000 (2016: £1,017,585,000).

During the year an interim dividend of £417,000,000 (2016: £1,189,000,000) was paid. No final dividend is proposed (2016: £nil).

#### **Future developments**

Future developments are discussed in the Strategic Report on page 1.

#### **Going concern**

The financial statements have been prepared on a going concern basis as Centrica plc, the ultimate parent company, currently intends to support the Company to ensure it can meet its obligations as they fall due, provided the Company remains a member of the Group. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after the financial statements were authorised for issue.

#### **Directors' and officers' liabilities**

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 any Director is proved to have acted fraudulently.

## **Centrica Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2017 (continued)**

#### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101 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 the 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 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.

## **Centrica Holdings Limited**

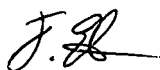
### **Directors' Report for the Year Ended 31 December 2017 (continued)**

#### **Auditors**

Following a rigorous selection process by the Audit Committee of Centrica plc, Deloitte LLP was selected as the Group's external auditor for the financial year commencing 1 January 2017. Consequently, PricewaterhouseCoopers LLP ('PwC') ceased to hold office as auditor of the Company in 2017. Pursuant to Section 519 of the Companies Act 2006, PwC has confirmed that there are no circumstances in connection with their ceasing to hold office that need to be brought to the attention of the members or creditors of the Company.

Following the resignation of PwC as auditors of the Company and, pursuant to Section 487 of the Companies Act 2006, Deloitte LLP were appointed as auditors of the Company.

Approved by the Board on 11 September 2018 and signed on its behalf by:



J. ELLIOT

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

Company registered in England and Wales, No. 05625463

Registered office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

## **Centrica Holdings Limited**

### **Independent Auditors' Report to the Members of Centrica Holdings Limited**

#### **Report on the financial statements**

##### **Opinion**

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Centrica Holdings Limited 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 15.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 (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 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 related to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.



## **Centrica Holdings Limited**

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

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

#### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement, 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.

#### **Auditors' 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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.

## **Centrica Holdings Limited**

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

#### **Report on other legal and regulatory review**

##### **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.

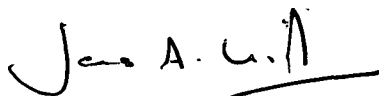
In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you 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.



James Leigh (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
2 New Street Square  
London  
EC4A 3BZ

11 September 2018

## **Centrica Holdings Limited**

### **Income Statement for the Year Ended 31 December 2017**

	Notes	2017 £ 000	2016 £ 000
Dividends received	5	417,000	1,189,000
Finance income	5	97,479	89,359
Finance costs	5	<u>(382,490)</u>	<u>(303,628)</u>
Profit before income tax		131,989	974,731
Income tax credit	7	<u>54,751</u>	<u>42,854</u>
Profit for the financial year		<u><u>186,740</u></u>	<u><u>1,017,585</u></u>

The above results were derived from continuing operations.

## **Centrica Holdings Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2017**

	<b>2017</b> <b>£ 000</b>	<b>2016</b> <b>£ 000</b>
Profit for the financial year	<u>186,740</u>	<u>1,017,585</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>186,740</u></u>	<u><u>1,017,585</u></u>

The notes on pages 13 to 42 form an integral part of these financial statements.

# Centrica Holdings Limited

## Statement of Financial Position as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
<b>Non-current assets</b>			
Investments	8	10,736,100	11,286,200
Deferred tax assets	7	8,002	-
		<u>10,744,102</u>	<u>11,286,200</u>
<b>Current assets</b>			
Trade and other receivables	9	2,813,586	2,669,358
		<u>2,813,586</u>	<u>2,669,358</u>
<b>Total assets</b>		<u>13,557,688</u>	<u>13,955,558</u>
<b>Current liabilities</b>			
Trade and other payables	10	(10,046,586)	(10,214,196)
		<u>(10,046,586)</u>	<u>(10,214,196)</u>
<b>Non-current liabilities</b>			
Trade and other payables	10	(1,520,000)	(1,520,000)
<b>Total liabilities</b>		<u>(11,566,586)</u>	<u>(11,734,196)</u>
<b>Net assets</b>		<u>1,991,102</u>	<u>2,221,362</u>
<b>Equity</b>			
Called up share capital	11	-	-
Retained earnings		1,991,102	2,221,362
<b>Total equity</b>		<u>1,991,102</u>	<u>2,221,362</u>

The financial statements on pages 9 to 42 were approved and authorised for issue by the Board of Directors on 11 September 2018 and signed on its behalf by:



J Bell

Director

Company number 05625463

The notes on pages 13 to 42 form an integral part of these financial statements.

# Centrica Holdings Limited

## Statement of Changes in Equity for the Year Ended 31 December 2017

	<b>Called up share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2017	-	2,221,362	2,221,362
Profit for the year and other comprehensive income	-	186,740	186,740
Dividends	-	(417,000)	(417,000)
At 31 December 2017	-	1,991,102	1,991,102

	<b>Called up share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2016	-	2,392,777	2,392,777
Profit for the year and other comprehensive income	-	1,017,585	1,017,585
Dividends	-	(1,189,000)	(1,189,000)
At 31 December 2016	-	2,221,362	2,221,362

The notes on pages 13 to 42 form an integral part of these financial statements.

# **Centrica Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

### **1 General information**

Centrica 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 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 2.

### **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.

From 1 January 2017, the following amendments are effective in the Company's financial statements. Their first time adoption did not have a material impact on the financial statements.

Amendments to IAS 12 'Income taxes' related to the recognition of deferred tax losses for unrealised losses.

In these financial statements, 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;
- 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 parties transactions with wholly-owned subsidiaries in a group; and
- disclosures in respect of capital management.

## **Centrica Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **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; derivative financial instruments, available for sale financial assets, financial instruments designated at fair value through profit or loss on initial recognition and the Company's share of the assets of the Group's defined benefit pension schemes that have been measured at fair values; the Company's share of the liabilities of the Group's defined benefit pension schemes that have been measured using the projected unit credit valuation method; and the carrying value of recognised assets and liabilities qualifying as hedged items in fair value hedges that have been adjusted from cost by the changes in the fair values attributable to the risks that are being hedged.

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.

The financial statements are prepared on the historical cost basis.

##### **Going concern**

The Financial Statements have been prepared on a going concern basis of accounting.

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 January 2017 have had a material effect on the financial statements.

##### **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.



## **Centrica Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **Taxation**

Current tax, including UK corporation tax and foreign 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 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.

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

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

##### **Dividend income**

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

##### **Investments in subsidiaries**

Fixed assets investments in subsidiaries are held at deemed cost on transition to FRS101 in accordance with IAS 27, less any provision for impairment as necessary.

## **Centrica Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **Impairment**

The carrying amounts of the Company's non-financial 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.

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 amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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 (although in practice the discounting is often immaterial) less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Company may not be able to collect the trade receivable. Balances are written off when recoverability is assessed as being remote. If collection is due in one year or less receivables are classified as current assets. If not they are presented as non-current assets.

##### **Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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.

# **Centrica Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

#### **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.

#### **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.

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

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. The Company does not deem its investment in subsidiaries, associates and joint ventures as well as related receivables to be impaired and supports this judgement through its impairment review process.

## Centrica Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 4 Employees' costs

In respect of the Directors' remuneration, refer to note 14 'Related Party Transactions'.

The Company had no employees during the year (2016: Nil).

#### 5 Net finance income/cost

##### Finance income

	2017 £ 000	2016 £ 000
Interest income from amounts owed by Group undertakings	97,479	89,359
Dividend income from Group undertakings	417,000	1,189,000
<b>Total finance income</b>	<b>514,479</b>	<b>1,278,359</b>

##### Finance costs

	2017 £ 000	2016 £ 000
Interest on amounts owed to Group undertakings	(382,490)	(303,628)
<b>Total finance cost</b>	<b>(382,490)</b>	<b>(303,628)</b>
<b>Net finance income</b>	<b>131,989</b>	<b>974,731</b>

#### 6 Auditors' remuneration

Auditors' remuneration totalling £10,000 (2016: £12,180) relates to fees for the audit of the financial statements of the Company. The prior year audit fee includes both the fee for the statutory audit of the financial statements and an allocation of the audit fee for the Group's consolidated financial statements.

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 statements of its ultimate parent, Centrica plc

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 7 Income tax

Tax credited in the Income Statement

	2017 £ 000	2016 £ 000
<b>Current tax</b>		
UK corporation tax at 19.25% (2016: 20.00%)	(46,749)	(42,854)
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences - UK	(8,106)	-
Arising from changes in tax rates and laws	104	-
Total deferred taxation	(8,002)	-
Tax receipt in the Income Statement	(54,751)	(42,854)

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

	2017 £ 000	2016 £ 000
Profit before tax	131,989	974,731
Tax on profit at standard UK corporation tax rate of 19.25% (2016: 20.00%)	25,403	194,946
<b>Effects of:</b>		
Group relief adjustment for transfer pricing purposes	(564)	2
Transfer pricing adjustments	564	(2)
Deferred tax expense relating to changes in tax rates or laws	104	-
Income not taxable	(80,258)	(237,800)
Total current tax credit	(54,751)	(42,854)

#### *Factors that may affect future tax changes*

The main rate of corporation tax for the year to 31 December 2017 was 19.25% (2016: 20%). The corporation tax rate will reduce to 17% with effect from 1 April 2020 following the enactment of Finance Act 2016. The deferred tax assets and liabilities included in these financial statements are based on the reduced rate of 17% having regard to their reversal profiles.

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 7 Income tax (continued)

#### Deferred tax

Deferred tax movement during the year:

	At 1 January 2017 £ 000	Recognised in Income Statement £ 000	At 31 December 2017 £ 000
Loans and borrowings	-	(6,438)	(6,438)
Other items	-	14,440	14,440
Net tax assets/(liabilities)	-	8,002	8,002

Certain deferred tax assets and liabilities have been offset. The above is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

### 8 Investments

	Shares in Group undertakings (subsidiaries) £ 000
<b>Cost and Net Book Value</b>	
At 1 January 2017	11,286,200
Additions	516,700
Disposals	(1,066,800)
At 31 December 2017	10,736,100

The Group makes contributions to its pension schemes under a series of asset backed contribution arrangements. As part of this on 4 January 2017 the Company made investment contributions of £516,700,000 to Finance Scotland 2016 Limited Partnership. The Company also transferred its interest in CF2016 LLP to Finance Scotland Limited Partnership for consideration of £1,066,800,000.

Note 13 discloses full details of the Company's investments.

### 9 Trade and other receivables

	2017 £ 000	2016 £ 000
Amounts owed by Group undertakings	2,813,586	2,669,358
	<u>2,813,586</u>	<u>2,669,358</u>

## **Centrica Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **9 Trade and other receivables (continued)**

Amounts owed by GB Gas Holdings Limited of £2,158,207,000 (2016: £2,078,705,000) accrues interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. Interest accrues on the last day of the previous month and is repayable monthly in arrears on the first day of each month. The range of the quarterly rate charged was between 3.66% and 3.86% (2016: 3.04% and 4.04%).

In 2016 amounts owed by Centrica SHB Limited of £472,799,000 accrued interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. Interest accrued on the last day of the previous month and was repayable monthly in arrears on the first day of each month. The range of the quarterly rate charged was between 3.04% and 4.04%. The balance was settled during the year.

Amounts owed by GB Gas Holdings Limited of £490,774,000 (2016: £nil) accrue interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. Interest accrues on the last day of the previous month and is repayable monthly in arrears on the first day of each month. The range of the quarterly rate charged was between 3.66% and 3.86%.

Amounts owed by Centrica plc of £75,000,000 (2016: £75,000,000) accrues interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. Interest accrues on the last day of the previous month and is due to be repaid on the repayment date. The range of the quarterly rate charged was between 3.66% and 3.86% (2016: 3.04% and 4.04%).

The remaining balance of £89,603,000 (2016: £42,854,000) is owed by Centrica plc, includes Group relief and is interest free. Interest receivable amounts to £2,000.

All amounts owed by group undertakings are unsecured and repayable on demand.

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 10 Trade and other payables

	2017		2016	
	Current £ 000	Non-current £ 000	Current £ 000	Non-current £ 000
Amounts owed to Group undertakings	<u>10,046,586</u>	<u>1,520,000</u>	<u>10,214,196</u>	<u>1,520,000</u>

Amounts owed to British Gas Trading Limited of £824,954,000 (2016: £798,852,000) accrues interest at a fixed interest charge of 3.50% throughout the year (2016: 3.50%). Interest accrues on the last day of the previous month and is due to be repaid on the repayment date.

Amounts owed to British Gas Trading Limited of £1,623,298,000 (2016: £1,569,229,000) accrues interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. Interest accrues on the last day of the previous month and is due to be paid on the repayment date. The range of the quarterly rate charged was between 3.66% and 3.86% (2016: 3.04% and 4.04%).

Amounts owed to GB Gas Holdings Limited of £490,773,000 (2016: £472,789,000) accrues interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. Interest accrues on the last day of the previous month and is repayable monthly in arrears on the first day of each month. The range of the quarterly rate charged was between 3.66% and 3.86% (2016: 3.04% and 4.04%).

Amounts owed to Spirit Energy Production UK Limited of £nil (2016: £1,969,881,000) accrued interest at 3 month LIBOR plus 20 basis points. Interest accrued on a monthly basis and was repaid on the first day of each quarter. The balance was repaid during the year.

Amounts owed to Centrica plc includes £7,031,561,000 (2016: £5,403,445,000) that accrues interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. Interest accrues on the last day of the previous month and is repayable monthly in arrears on the first day of each month. The range of the quarterly rate charged was between 3.66% and 3.86% (2016: 3.04% and 4.04%).

Other amounts of £76,000,000 is interest payable to GB Gas Holdings Ltd and is interest free.

All current amounts owed to group undertakings are unsecured and repayable on demand.

Amounts owed to GB Gas Holdings Limited of £1,520,000,000 (2016: £1,520,000,000) accrue interest of £76,000,000 payable on 8 January each year between 2017 and 2030. The loan is repayable in full on 8 January 2030. The Company is entitled to repay in whole or part prior to the repayment date.

### 11 Called up share capital

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

	2017 No.	2017 £	2016 No.	2016 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>



# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 12 Dividends paid and proposed

	2017 £ 000	2016 £ 000
<i>Declared and paid during the year</i>		
Interim dividend of £208,500,000 (2016 - £594,500,000) per ordinary share	<u>417,000</u>	<u>1,189,000</u>

### 13 Related undertakings

The Company has related undertakings as follows:

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
1773648 Alberta Ltd.	Gas and/or oil exploration and productions and/or trading	Canada	B	Ordinary shares		100
Accord Energy (Trading) Limited	Dormant	United Kingdom	A	Ordinary shares		100
Accord Energy Limited	Dormant	United Kingdom	A	Ordinary shares		100
Alertme.com GmbH	Non-trading	Germany	C	Ordinary shares		100
Alertme.com Inc.	Energy management products and services	United States	D	Ordinary shares		100
Atform Limited	Dormant	United Kingdom	A	Ordinary shares		100
Bord Gáis Energy Limited	Energy supply and power generation	Republic of Ireland	E	Ordinary shares		100

## Centrica Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Brae Canada Ltd.	Gas and/or oil exploration and production	Canada	B	Ordinary and preference shares		100
British Gas Energy Procurement Limited	Energy supply	United Kingdom	A	Ordinary shares		100
British Gas Finance Limited	Vehicle leasing	United Kingdom	A	Ordinary shares		100
British Gas Insurance Limited	Insurance provision	United Kingdom	A	Ordinary shares		100
British Gas Limited	Dormant	United Kingdom	A	Ordinary shares		100
British Gas New Heating Limited	Electrical and gas installations	United Kingdom	A	Ordinary shares		100
British Gas Services (Commercial) Limited	Servicing and installation of heating systems	United Kingdom	A	Ordinary shares		100
British Gas Services Limited	Home services	United Kingdom	A	Ordinary shares		100
British Gas Social Housing Limited	Servicing and installation of heating systems	United Kingdom	A	Ordinary shares		100
British Gas Solar Limited	Dormant	United Kingdom	A	Ordinary shares		100
British Gas Trading Limited	Energy supply	United Kingdom	A	Ordinary shares		100
Business Gas Limited	Dormant	United Kingdom	A	Ordinary shares		100
Caythorpe Gas Storage Limited	Gas storage	United Kingdom	F	Ordinary shares		100
Centrica (IOM) Limited	Dormant	Isle of Man	G	Ordinary shares		100
Centrica (Lincs) Wind Farm Limited	Holding company	United Kingdom	A	Ordinary shares		100

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Centrica Barry Limited	Power generation	United Kingdom	A	Ordinary shares		100
Centrica Brigg Limited	Power generation	United Kingdom	A	Ordinary shares		100
Centrica Combined Common Investment Fund Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Connected Home Canada Inc. (xii)	Energy management products and services	Canada	B	Ordinary shares		100
Centrica Connected Home Italy Srl (iii) & (xii)	Energy management products and services	Italy	H	Ordinary shares		100
Centrica Connected Home Limited (xii)	Energy management products and services	United Kingdom	A	Ordinary shares		100
Centrica Delta Limited	In liquidation	Isle of Man	I	Ordinary shares		100
Centrica Directors Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Distributed Generation Limited	Power generation	United Kingdom	A	Ordinary shares		100
Centrica Energy (Trading) Limited	Wholesale energy trading	United Kingdom	A	Ordinary shares		100
Centrica Energy Limited	Wholesale energy trading	United Kingdom	A	Ordinary shares		100
Centrica Energy Marketing Limited	Wholesale energy trading	United Kingdom	A	Ordinary shares		100
Centrica Energy Operations Limited	Dormant	United Kingdom	A	Ordinary shares		100

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Centrica Energy Renewable Investments Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Energy Tolling BV (xv)	Non-trading	Netherlands	J	Ordinary shares		100
Centrica Engineers Pension Trustees Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Finance (Canada) Limited	Holding company	United Kingdom	A	Ordinary shares		100
Centrica Finance (Scotland) Limited	Holding company	United Kingdom	K	Ordinary shares		100
Centrica Finance Investments Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Finance Norway Limited	Group financing	Jersey	L	Ordinary shares		100
Centrica Gamma Holdings Limited	Holding company	United Kingdom	A	Ordinary shares		100
Centrica Ignite GP Limited	Investment company	United Kingdom	A	Ordinary shares		100
Centrica Ignite LP Limited	Investment company	United Kingdom	A	Ordinary shares		100
Centrica India Offshore Private Limited	Business services	India	M	Ordinary shares		100
Centrica Infrastructure Limited	Dormant	United Kingdom	K	Ordinary shares		100
Centrica Innovations UK Limited (iii)	Investment company	United Kingdom	A	Ordinary shares		100
Centrica Insurance Company Limited	Insurance provision	Isle of Man	G	Ordinary and preference shares		100
Centrica Jersey Limited	In liquidation	Jersey	N	Ordinary shares		100
Centrica KL Limited	Power generation	United Kingdom	A	Ordinary shares		100
Centrica KPS Limited	Power generation	United Kingdom	A	Ordinary shares		100

## Centrica Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Centrica Lake Limited	Holding company	United Kingdom	A	Ordinary shares		100
Centrica Leasing (KL) Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica LNG Company Limited	LNG Trading	United Kingdom	A	Ordinary shares		100
Centrica LNG UK Limited	LNG Trading	United Kingdom	A	Ordinary shares		100
Centrica Nederland BV	Holding company	Netherlands	J	Ordinary shares		100
Centrica No. 12 Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Nominees No.1 Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Offshore UK Limited	Gas and/or oil exploration and production	United Kingdom	F	Ordinary shares		100
Centrica Onshore Processing UK Limited	Dormant	United Kingdom	F	Ordinary shares		100
Centrica Overseas Holdings Limited	Holding company	United Kingdom	A	Ordinary shares		100
Centrica PB Limited	Power generation	United Kingdom	A	Ordinary shares		100
Centrica Pension Plan Trustees Limited	Dormant	United Kingdom	A	Limited by guarantee		100
Centrica Pension Trustees Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Production Limited	Dormant	United Kingdom	K	Ordinary shares		100
Centrica Renewable Energy Limited	Holding company	United Kingdom	A	Ordinary shares		100
Centrica Resources (UK) Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Resources Petroleum UK Limited	Dormant	United Kingdom	A	Ordinary shares		100

## Centrica Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Centrica Retail Holdings Netherlands BV (xv)	Holding company	Netherlands	J	Ordinary shares		100
Centrica Secretaries Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Services Limited (iii)	Business services	United Kingdom	A	Ordinary shares		100
Centrica Storage Holdings Limited	Holding company	United Kingdom	F	Ordinary shares		100
Centrica Storage Limited	Gas storage	United Kingdom	F	Ordinary shares		100
Centrica Trinidad and Tobago Limited	Business services	Trinidad and Tobago	O	Ordinary shares		100
Centrica Trust (No.1) Limited	Dormant	United Kingdom	A	Ordinary shares		100
Centrica Upstream Investment Limited	Dormant	United Kingdom	K	Ordinary shares		100
CH4 Energy Limited	Dormant	United Kingdom	A	Ordinary shares		100
CID1 Limited	Dormant	United Kingdom	A	Ordinary shares		100
CIU1 Limited	Dormant	United Kingdom	A	Ordinary shares		100
Combined Power (South) Limited (xiii)	Power generation	United Kingdom	A	Ordinary shares		100
CSA Offshore Services (Proprietary) Limited	Business services	South Africa	P	Ordinary shares		100
DEML Investments Limited	Holding company	Canada	Q	Ordinary shares		100
DER Development No. 10 Ltd.	Holding company	Canada	B	Ordinary shares		100
Direct Energy (B.C.) Limited	Energy supply and/or services	Canada	R	Ordinary shares		100
Direct Energy Holdings (Alberta) Inc.	Home and/or commercial services	Canada	B	Ordinary shares		100

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Direct Energy HVAC Services Ltd.	Home and/or commercial services	Canada	B	Ordinary shares		100
Direct Energy Marketing Limited	Energy supply and/or services	Canada	Q	Ordinary shares		100
Distributed Energy Asset Solutions Limited (v)	Dormant	United Kingdom	A	Ordinary shares		100
Distributed Energy Canada Inc. (iii) (vi)	Energy management products and services	Canada	B	Ordinary shares		100
Distributed Energy Customer Solutions Limited (v)	Energy management products and services	United Kingdom	A	Ordinary shares		100
Drips Limited	Dormant	United Kingdom	A	Ordinary shares		100
Dyno Developments Limited	Dormant	United Kingdom	A	Ordinary shares		100
Dyno-Plumbing Limited	Dormant	United Kingdom	A	Ordinary shares		100
Dyno-Rod Limited	Operation of a franchise network	United Kingdom	A	Ordinary shares		100
Dyno-Security Services Limited	Dormant	United Kingdom	A	Ordinary shares		100
Dyno-Services Limited	Dormant	United Kingdom	A	Ordinary shares		100
ECL Contracts Limited	Dormant	United Kingdom	A	Ordinary shares		100
ECL Investments Limited	Dormant	United Kingdom	A	Ordinary shares		100

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Electricity Direct (UK) Limited	Dormant	United Kingdom	A	Ordinary shares		100
ENER-G Cogen International Limited	Holding company	United Kingdom	A	Ordinary shares		100
ENER-G Combined Power Limited (xiv)	Energy management products and services	United Kingdom	A	Ordinary shares		100
ENER-G Energia Technologia Zrt. (xiv)	Energy management products and services	Hungary	S	Ordinary shares		100
ENER-G Italia Srl (xiv)	Energy management products and services	Italy	T	Ordinary shares		100
ENER-G Nagykanizsa Kft	Energy management products and services	Hungary	S	Ordinary shares		100
ENER-G Nedalo BV	Energy management products and services	Netherlands	U	Ordinary shares		100
ENER-G Power2 Limited	Holding company	United Kingdom	A	Ordinary shares		100
ENER-G Tehnologii Energetice Srl	Energy management products and services	Romania	V	Ordinary shares		100
Energy For Tomorrow	Not-for-profit energy services	United Kingdom	A	Limited by guarantee		100
Flowgem Limited	Dormant	United Kingdom	A	Ordinary shares		100



## Centrica Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
GB Gas Holdings Limited	Holding company	United Kingdom	A	Ordinary shares	100	
Generation Green Solar Limited	Dormant community benefit society	United Kingdom	A	Ordinary shares		100
GF One Limited (vii)	In liquidation	United Kingdom	W	Ordinary shares		75
GF Two Limited (vii)	In liquidation	United Kingdom	W	Ordinary shares		75
GLID Limited	Holding company	United Kingdom	A	Ordinary shares		100
Goldbrand Development Limited	Dormant	United Kingdom	A	Ordinary shares		100
Hillserve Limited	Dormant	United Kingdom	A	Ordinary shares		100
Home Assistance UK Limited	Intermediary services, including claims handling and administration services	United Kingdom	A	Ordinary shares		100
Io-Tahoe UK Limited (iii)	Data management	United Kingdom	A	Ordinary shares		100
Io Tahoe Ukraine LLC (iii) (viii) (ix)	Data management	Ukraine	X	Ordinary shares		100
Neas Energy A/S	Energy services and wholesale energy trading	Denmark	Y	Ordinary shares		100
Neas Energy GmbH	Energy services and wholesale energy trading	Germany	Z	Ordinary shares		100

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Neas Energy Limited	Energy services and wholesale energy trading	United Kingdom	A	Ordinary shares		100
Neas Energy Singapore Pte. Ltd	Energy services and wholesale energy trading	Singapore	AA	Ordinary shares		100
Neas Fondsmæglerselskab A/S	Non-trading	Denmark	Y	Ordinary shares		100
Neas Invest A/S	Dormant	Denmark	Y	Ordinary shares		100
Newco One Limited	Dormant	United Kingdom	A	Ordinary shares		100
North Sea Infrastructure Partners Limited	Dormant	United Kingdom	K	Ordinary shares		100
NSIP (Holdings) Limited	Dormant	United Kingdom	K	Ordinary shares		100
P.H. Jones Facilities Management Ltd	Servicing and maintenance of heating systems	United Kingdom	A	Ordinary shares		100
P.H Jones Group Limited	Holding company	United Kingdom	A	Ordinary shares		100
Panoramic Power Ltd.	Energy management products and services	Israel	AB	Ordinary shares		100
Pioneer Shipping Limited	Sea freight water transport	United Kingdom	A	Ordinary shares		100
Repair and Care Limited	Dormant	United Kingdom	A	Ordinary shares		100

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
REstore Flexpond UK Limited (iii)	Demand response aggregation	United Kingdom	AO	Ordinary shares		100
REstore Deutschland GmbH (iii)	Demand response aggregation	Germany	AM	Ordinary shares		100
REstore North America LLC (iii)	Demand response aggregation	United States	AN	Membership interest		100
REstore France SAS (iii)	Demand response aggregation	France	AC	Ordinary shares		100
REstore NV (iii)	Demand response aggregation	Belgium	AD	Ordinary shares		100
Solar Technologies Group Limited	Dormant	United Kingdom	A	Ordinary shares		100
Solar Technologies Limited	Dormant	United Kingdom	A	Ordinary shares		100
Soren Limited	Dormant	United Kingdom	A	Ordinary shares		100
CF 2016 LLP	Group financing	United Kingdom	A	Membership interest		100
CFCEPS LLP	Group financing	United Kingdom	A	Membership interest		100
CFCPP LLP	Group financing	United Kingdom	A	Membership interest		100
CFCPS LLP (ii)	Group financing	United Kingdom	A	Membership interest		100
Direct Energy Partnership	Energy supply	Canada	B	Membership interest		100
Direct Energy Resources Partnership	Holding entity	Canada	B	Membership interest		100
Finance Scotland 2016 Limited Partnership	Group financing	United Kingdom	K	Membership interest		100
Finance Scotland CEPS Limited Partnership	Group financing	United Kingdom	K	Membership interest		100

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Finance Scotland CPP Limited Partnership	Group financing	United Kingdom	K	Membership interest		100
Finance Scotland CPS Limited Partnership (ii)	Group financing	United Kingdom	K	Membership interest		100
Ignite Social Enterprise LP	Social enterprise investment fund	United Kingdom	A	Membership interest		100
Bayerngas Norge AS (ii9)	Gas and/or oil exploration and production	Norway	AE	Ordinary shares		69
Bayerngas Produksjon Norge (iii)	Financing company	Norway	AE	Ordinary shares		69
Bowland Resources (No.2) Limited	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69
Bowland Resources Limited	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69
Elswick Energy Limited	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69
NSGP (Ensign) Limited	Gas and/or oil exploration and production	Jersey	AF	Ordinary shares		69
Spirit Energy Danmark ApS (iii) (x)	Gas and/or oil exploration and production	Denmark	AG	Ordinary shares		69

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Spirit Energy Hedging Holding Limited (iii)	Dormant	United Kingdom	A	Ordinary shares		69
Spirit Energy Hedging Limited (iii)	Dormant	United Kingdom	A	Ordinary shares		69
Spirit Energy Limited (iii) (iv)	Holding company	United Kingdom	A	Ordinary shares		69
Spirit Energy Nederland BV (ix)	Gas and/or oil exploration and production	Netherlands	J	Ordinary Shares		69
Spirit Energy Norge AS (ix)	Gas and/or oil exploration and production	Norway	AH	Ordinary shares		69
Spirit Energy North Sea Limited (ix)	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69
Spirit Energy North Sea Oil Limited (ix)	Gas and/or oil exploration and production	United Kingdom	K	Ordinary shares		69
Spirit Energy Petroleum Danmark AS (iii) (ix) (x)	Gas and/or oil exploration and production	Norway	AH	Ordinary shares		69
Spirit Energy Production UK Limited (ix)	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69
Spirit Energy Resources Limited (ix)	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69

# Centrica Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Spirit Energy Southern North Sea Limited (iii) (ix)	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69
Spirit Energy Treasury Limited (iii) (ix)	Financing company	United Kingdom	A	Ordinary shares		69
Spirit Europe Ltd (iii) (vii) (ix)	Holding company	United Kingdom	A	Ordinary shares		69
Spirit Infrastructure BV (iii) (ix)	Construction, ownership and exploitation of infrastructure	Netherlands	J	Ordinary shares		69
Spirit North Sea Gas Limited (iii) (ix)	Gas and/or oil exploration and production	United Kingdom	K	Ordinary shares		69
Spirit Norway Limited (viii) (xi)	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69
Spirit Production (Services) Limited (ix)	Business services	United Kingdom	K	Ordinary shares		69
Spirit Resources (Armada) Limited (ix)	Gas and/or oil exploration and production	United Kingdom	A	Ordinary shares		69
Celtic Array Limited	Development of an offshore windfarm	United Kingdom	A	Ordinary shares		50
Eurowind Polska VI Sp z o.o.	Operation of an onshore windfarm	Poland	AJ	Ordinary shares		50

## Centrica Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 13 Related undertakings (continued)

Name	Principal activity	Country of incorporation	Registered address key (i)	Class of shares held	Direct investment and voting rights (%)	Indirect interest and voting rights (%)
Greener Ideas Limited	Development of flexible power generation sites	Republic of Ireland	E	Ordinary shares		50
Rhiannon Wind Farm Limited	Dormant	United Kingdom	A	Ordinary shares		50
Vindpark Keblowo ApSs	Operation of an onshore windfarm	Denmark	AI	Ordinary shares		50
Lake Acquisitions Limited	Holding company	Holding company	AK	Ordinary shares		20
Veolia CHP Ireland Limited	Energy supply and power generation	Republic of Ireland	AL	Ordinary shares		20

## **Centrica Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **13 Related undertakings (continued)**

- (i) For list of registered addresses, refer to list of registered addresses below.
- (ii) CFCPS LLP and Finance Scotland CPS Limited Partnership were dissolved on 7 February 2018.
- (iii) Acquired or established in 2017.
- (iv) Centrica NewCo 123 Limited and Spirit Energy Limited performed a name exchange during the year (previously Spirit Energy Limited and Centrica NewCo 123 Limited respectively).
- (v) Distributed Energy Asset Solutions Limited and Distributed Energy Customer Solutions Limited were renamed during the year (previously Centrica (BOW) Limited and Centrica (DSW) Limited respectively).
- (vi) Distributed Energy Canada Inc became Centrica Business Solution Limited on 7 February 2018.
- (vii) Spirit Europe Ltd was renamed Spirit Europe Limited on 2 May 2017.
- (viii) Io Tahoe Ukraine LLC was renamed during the year (previously Rokitt Ukraine LLC).
- (ix) The following name changes were made during the year: Bayerngas Danmark ApS to Spirit Energy Danmark ApS; Centrica Production Nederland BV to Spirit Energy Nederland BV; Centrica Resources (Norge) AS to Spirit Energy Norge AS; Centrica North Sea Limited to Spirit Energy North Sea Limited; Centrica North Sea Oil Limited to Spirit Energy North Sea Oil Limited; Bayerngas Petroleum Danmark AS to Spirit Energy Petroleum Danmark AS; Hydrocarbon Resources Limited to Spirit Energy Production UK Limited; Centrica Resources Limited to Spirit Energy Resources Limited; Bayerngas Europe Limited to Spirit Energy Southern North Sea Limited; Magpie Treasury Co Limited to Spirit Energy Treasury Limited; Bayerngas UK Limited to Spirit Europe Limited; Centrica Infrastructure BV to Spirit Infrastructure BV; Centrica North Sea Gas Limited to Spirit North Sea Gas Limited; Centrica Norway Limited to Spirit Norway Limited; Centrica Production (Services) Limited to Spirit Production (Services) Limited and Centrica Resources (Armada) Limited to Spirit Resources (Armada) Limited.
- (x) Spirit Energy Petroleum Danmark AS principally operates in Denmark.
- (xi) Spirit Norway Limited operated in Norway as Centrica Energi NUF until 10 December 2017. From 11 December 2017 it operated as Spirit Energy NUF.
- (xii) Centrica Connected Home Canada Inc was renamed Centrica Hive Canada Inc on 23 February 2018, Centrica Connected Home Italy Srl was renamed Centrica Hive srl on 19 February 2018 and Centrica Connected Home Limited was renamed Centrica Hive Limited on 16 February 2018.
- (xiii) Combined Power (South) Limited was renamed Centrica Business Solutions (Generation) Limited on 20 March 2018.



## **Centrica Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **13 Related undertakings (continued)**

(xiv) ENER-G Combined Power Limited was renamed Centrica Business Solutions UK Limited on 20 March 2018, ENER-G Energia Technologia Zrt was renamed Centrica Business Solutions Zrt on 5 March 2018 and ENER-G Italia Srl was renamed Centrica Business Solutions Italia Srl on 19 March 2018.

(xv) Centrica Energy BV and Centrica Retail Holdings Netherlands BV were dissolved on 6 July 2018.

All companies principally operate within their country of incorporation.

## Centrica Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 13 Related undertakings (continued)

##### List of registered addresses

Registered address key	Address
A	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom
B	2323 32nd Avenue N.E., Suite 260, Calgary, AB T2E 6Z3, Canada
C	Thomas-Wimmer-Ring 1-3, 80539, Munich, Germany
D	1521 Concord Pike #303, Wilmington, DE 19803, United States
E	1 Warrington Place, Dublin, 2, Republic of Ireland
F	Woodland House, Woodland Park, Hessle, HU13 0F, United Kingdom
G	St George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man
H	Via Paleocapa Pietro 4, 20121 Milano, ItalyVia Paleocapa Pietro 4, 20121 Milano, Italy
I	33-37 Athol Street, Douglas, IM1 1LB, Isle of Man
J	Polarisavenue 39, 2132 JH Hoofddorp, Netherlands
K	IQ Building, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom
L	47 Esplanade, St Helier, JE1 0BD, Jersey
M	G-74, LGF, Kalkaji, New Delhi, South Delhi, Delhi, 110019, India
N	26 New Street, St Helier, JE2 3RA, Jersey
O	48-50 Sackville Street, Port of Spain, Trinidad and Tobago
P	No 12A Sooty Street, Cnr Reddersburg & Virginia Street, Amberfield Glen, Rooihuiskraal, North Centurion Gauteng, 0175, South Africa
Q	333 Bay Street, Suite 400, Toronto ON M5H 2R2, Canada
R	1185 West Georgia Street, Suite 1700, Vancouver BC V6E 4E6, Canada
S	H-1106 Budapest, Jászberényi út 24-36, Hungary
T	Milan (MI), Via Emilio Cornalia 26, Italy
U	Wiegerbruinlaan 2A, 1422 CB Uithoorn, Netherlands
V	15-23 Bucuresti Nord Street, Windsor Building, Ground Floor, Office No. 1, Voluntari, Ilfov County, Romania
W	1 More London Place, London, SE1 2AF, United Kingdom
X	20 A Heroiev Stalingrada Avenue, Kyiv 04210, Ukraine
Y	Skelagervej 1, DK 9000 Aalborg, Denmark
Z	Schillerstr. 7, 40721 Hilden (bei Düsseldorf), Germany
AA	220 Orchard Road, #05-01 Midpoint Orchard, Singapore 238852
AB	15 Atir Yeda Street, Kfar Saba, 44643, Israel
AC	Place de la Défense 12, Maison de la Défense, 92974 Paris, France
AD	Posthofbrug 12, 2600 Antwerp, Belgium
AE	Lilleakerveien 8, 0283 Oslo, Norway

## **Centrica Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **13 Related undertakings (continued)**

AF	13 Castle Street, St Helier, JE4 5UT, Jersey
AG	Rådhuspladsen 16, 1550 København V, Denmark
AH	Veritasveien 25, 4007 Stavenger, Norway
AI	160 London Road, Suite 4a London Road, Sevenoaks, Kent, TN13 1BT, United Kingdom
AJ	Ul. Wysogotowska 23, 62-081 Prezegmierzow, Poland
AK	90 Whitfield Street, London, W1T 4E2 United Kingdom (i)
AL	Innovation House, DCU Innovation Campus, 11 Old Finglas Road, Glasnevin, Dublin, 11, Republic of Ireland
AM	Graf-Adolf-Platz 12, 40213 Düsseldorf, Germany
AN	WTS LLC, 67 East Park Place, Morristown, New Jersey 07960, United States
AO	1 Glass Wharf, Bristol, BS2 0ZX, United Kingdom

## **Centrica Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **14 Related party transactions**

##### **Directors' remuneration**

The emoluments of both of the Directors are not paid to them in their capacity as Directors of the Company and are payable for services wholly attributable to Centrica plc and other subsidiary undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements.

#### **15 Parent and ultimate parent undertaking**

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

The ultimate parent and controlling party is Centrica plc, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated financial statements. Copies of the Centrica plc consolidated financial statements may be obtained from [www.centrica.com](http://www.centrica.com).

The most senior parent entity producing publicly available financial statements is Centrica plc.