

Registered No: SC436640

Centrica Finance (Scotland) Limited
Annual Report and Financial Statements
For the year ended 31 December 2016

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Centrica Finance (Scotland) Limited

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Centrica Finance (Scotland) Limited

Strategic Report for the year ended 31 December 2016

The Directors present the Strategic Report for Centrica Finance (Scotland) Limited ("the Company") for the year ended 31 December 2016.

Principal activities

The Company is general partner to the limited partnerships and limited liability partnerships that are part of the Centrica plc Group's ("the Group") Asset Backed Contribution ("ABC") structure. This structure allowed the Group to significantly increase funding to the Group's pension schemes, secured on Group assets.

Review of business

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

The ABC structure provides funding to the Group's pension schemes for defined periods of up to 15 years.

During the year the Company received a distribution of £314,470,480 from Centrica Finance Limited Partnership ("CFLP") upon the winding up of CFLP on 7 December 2016. The Company consequently impaired its investment in CFLP of £230,150,100 to nil.

Also during the year a capital reduction was implemented in order to enable a dividend of £314,430,000 to be paid in the year.

As part of a new ABC structure established in 2016 the Company contributed capital of £100 each to Finance Scotland 2016 Limited Partnership and CF 2016 LLP.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to limited risks. The key activities are contracted for and certain. The principal risks and uncertainties for the Group, which include those of the Company, are discussed on pages 56 - 64 of the Group's 2016 Annual Report and Accounts which does not form part of this report.

Exit from the European Union

The UK referendum vote in June 2016 to leave the European Union has added to the uncertainties faced by the business. However, we believe that the direct impact on the business of these events is limited in the short-term. Many details of the implementation process remain unclear. Extricating from the European Union treaties is a task of immense complexity but with that being said, the business is well-positioned to manage any market impacts. There are also potential tax consequences of the withdrawal agreement which we will continue to reassess (at each reporting date) to ensure our tax provisions reflect the most likely outcome following the withdrawal.

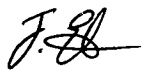
Key performance indicators ("KPIs")

Given the nature of the business, the Company's Directors are of the opinion that the KPIs necessary for an understanding of the development, performance and position of the business are net assets and results after tax. The Company has the financial support of the ultimate parent company, Centrica plc.

Future developments

The Centrica plc Group ("the Group") is currently implementing 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. The Directors intend that the Company will act as an investment holding company for the foreseeable future.

Approved by the Board on 13 July 2017 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 Scotland, Registered Number SC436640

Registered office:
5th Floor IQ Building
15 Justice Mill Lane
Aberdeen
AB11 6EQ

The Directors present their report and the financial statements of Centrica Finance (Scotland) Limited for the year ended 31 December 2016.

Directors

The Directors who held office during the year and up to the date of signing of the financial statements are as follows:

J Bell (resigned 15/04/2016)
A Page (appointed 15/04/2016)
P Tanner

Results and dividends

The results of the Company are set out on page 6. The profit for the financial year ended 31 December 2016 is £65,857,000 (2015: loss of £4,130,000) including impairment of £230,150,100 (2015: £nil).

The Company paid an interim dividend of £314,430,000 during the year (2015: nil). The Directors do not recommend the payment of a final dividend.

Future developments

Future developments are discussed in the Strategic Report. Refer to page 1.

Going concern

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

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. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Financial risk management

Details of the Group's financial risk management policy are set out on pages 169 to 173 of the Group's 2016 Annual Report and Accounts.

The Group's Treasury Function also seeks to limit counter-party risk by conducting most of its banking and dealing activities with a limited number of major international banks, where status is kept under review.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable UK law and regulation.

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, comprising FRS 101 "Reduced Disclosure Framework" 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

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

Centrica Finance (Scotland) Limited

Directors' report for the year ended 31 December 2016 (continued)

Reappointment of auditors

Following a rigorous selection by the Audit Committee of Centrica plc, Deloitte LLP was selected as the Group's external auditor for the financial year commencing from 1 January 2017. Consequently, PricewaterhouseCoopers LLP will remain auditors of Centrica Finance (Scotland) Limited until the formal resignation process has been completed later in 2017, after which Deloitte LLP will be appointed as auditors of Centrica Finance (Scotland) Limited.

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, until the formal resignation process has been completed.

Approved by the Board on 13 July 2017 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 Scotland, Registered Number SC436640

Registered office:
5th Floor IQ Building
15 Justice Mill Lane
Aberdeen
AB11 6EQ

Report on the financial statements

Our opinion

In our opinion, Centrica Finance (Scotland) 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 2016 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

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Income Statement and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity 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 United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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.

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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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.

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 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Alan Walsh (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

13 July 2017

Centrica Finance (Scotland) Limited**Income Statement for the year ended 31 December 2016**

	Note	2016 £000	2015 £000
Income from Partnership undertakings	6	314,485	15
Impairment charge	4	<u>(230,150)</u>	<u>-</u>
Profit before taxation		84,335	15
Tax on profit	7	(18,478)	(4,145)
Profit/(loss) for the financial year		<u>65,857</u>	<u>(4,130)</u>

The results stated above are all derived from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

Statement of Comprehensive Income for the year ended 31 December 2016

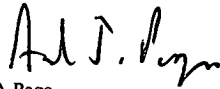
	2016 £000	2015 £000
Profit/(loss) for the financial year	65,857	(4,130)
Total comprehensive income/(loss) for the year	<u>65,857</u>	<u>(4,130)</u>

Centrica Finance (Scotland) Limited

Statement of Financial Position as at 31 December 2016

	Note	2016 £000	2015 £000
Non-current assets			
Investments	9	439,271	669,421
Deferred tax asset	7	<u>31,887</u>	<u>36,142</u>
		<u>471,158</u>	<u>705,563</u>
Current assets			
Amounts owed by Group undertakings	10	100	45
Cash and cash equivalents		<u>5</u>	<u>-</u>
		<u>105</u>	<u>45</u>
Total assets		<u>471,263</u>	<u>705,608</u>
Current liabilities			
Trade and other payables	11	<u>(57,630)</u>	<u>(43,402)</u>
Net assets		<u>413,633</u>	<u>662,206</u>
Equity			
Called up share capital	12	-	669,420
Retained earnings/(accumulated losses)		<u>413,633</u>	<u>(7,214)</u>
Total equity		<u>413,633</u>	<u>662,206</u>

The financial statements on pages 6 to 14 were approved and authorised for issue by the Board of Directors on 13 July 2017 and were signed on its behalf by:



A Page
Director

Registered Number SC436640

The notes on pages 9 to 14 form part of these financial statements.

Centrica Finance (Scotland) Limited

Statement of Changes in Equity for the year ended 31 December 2016

	Called up share capital £000	Retained Earnings/ (accumulated losses) £000	Total equity £000
At 1 January 2015	669,420	(3,084)	666,336
Loss for the financial year and total comprehensive loss	-	(4,130)	(4,130)
At 31 December 2015	<u>669,420</u>	<u>(7,214)</u>	<u>662,206</u>
At 1 January 2016	669,420	(7,214)	662,206
Capital reduction	(669,420)	669,420	-
Dividend	-	(314,430)	(314,430)
Profit for the financial year and total comprehensive income	-	65,857	65,857
At 31 December 2016	<u>-</u>	<u>413,633</u>	<u>413,633</u>

1. General information

Centrica Finance (Scotland) Limited (the 'Company') is a company limited by share capital incorporated and domiciled in United Kingdom.

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

5th Floor IQ Building
15 Justice Mill Lane
Aberdeen
AB11 6EQ

These financial statements were authorised for issue by the Board on 13 July 2017.

2. Accounting policies

Basis of preparation

The Company is exempt by virtue of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly-owned subsidiary of Centrica plc. These financial statements present information about the Company as an individual undertaking and not about its Group, and have been prepared on a going concern basis, as described in the Directors' Report.

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.

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

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of related parties transactions with wholly-owned subsidiaries;
- Disclosures in respect of the compensation of Key Management Personnel;
- disclosures in respect of capital management; and,
- the effects of new but not yet effective IFRSs.

As the consolidated Financial Statements of Centrica plc include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosure:

- certain disclosures required by IFRS 13 Fair value measurement and the disclosures required by IFRS 7 Financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value.

These financial statements are presented in pound sterling (with all values rounded to the nearest thousand pounds ("£000") except when otherwise indicated), which is also the functional currency of the Company.

The financial statements are prepared on the historical cost basis.

Going concern

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

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2016 have had a material effect on the financial statements.

2. Accounting policies (continued)

Summary of significant accounting policies and key accounting estimates

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

Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit 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 "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ('CGU').

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 is reversed if and only if the reasons for the impairment have ceased to apply. 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.

Investments in partnership undertakings

Fixed assets investments in partnership undertakings are held at deemed cost in accordance with IAS 27, less any provision for impairment as necessary.

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.

(a) Amounts due from Group undertakings

Amounts due from Group undertakings are initially recognised at fair value, and are subsequently held at amortised cost using the effective interest rate ('EIR') (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 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.

(b) Amounts payable to Group undertakings

Amounts payable to Group undertakings are initially recognised at fair value, and are subsequently held at amortised cost using the EIR 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.

(c) 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 original invoice amount and are subsequently held at amortised cost using the EIR 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.

d) Cash and cash equivalents

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

(e) 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.

Dividend income

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

2. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax, UK petroleum revenue 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 balance sheet 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 balance sheet 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 balance sheet date.

3. Directors and employees

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

The Company had no employees during the year (2015: none).

4. Exceptional items – impairment charges

The following exceptional item was recognised in arriving at operating profit of the reporting period:

	2016	2015
	£000	£000
Impairment charge	<u>230,150</u>	<u>-</u>

5. Auditors' remuneration

Auditors' remuneration totalling £5,100 (2015: £5,000) relates to fees for the audit of the statutory financial statements of the Company. The auditors' remuneration of £5,100 (2015: £5,000) is borne by Centrica plc.

6. Income from Partnership undertakings

	2016	2015
	£000	£000
Income from Partnership undertakings	<u>314,485</u>	<u>15</u>

7. Tax on profit

(a) Analysis of tax charge	2016 £000	2015 £000
Current tax		
United Kingdom corporation tax at 20.00% (2015: 20.25%)	14,223	13,968
Adjustments in respect of prior years	-	(43)
Total current tax	<u>14,223</u>	<u>13,925</u>
Deferred tax		
Current year	2,644	(13,966)
Effect of changes in tax rates	1,611	4,186
Total deferred tax	<u>4,255</u>	<u>(9,780)</u>
Total tax on profit	<u>18,478</u>	<u>4,145</u>

(b) Factors affecting the tax charge

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before taxation are as follows:

	2016 £000	2015 £000
Profit before taxation	<u>84,335</u>	<u>15</u>
Tax on profit at standard UK corporation tax rate of 20.00% (2015: 20.25%)	16,867	3
Effects of:		
Adjustments in respect of prior years	-	(43)
Effect of changes in tax rates	1,611	4,185
Taxation on profit for the year	<u>18,478</u>	<u>4,145</u>

The main rate of corporation tax for the year to 31 December 2016 was 20%. The corporation tax rate will reduce to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020 following the enactments of Finance (No 2) Act 2015 and Finance Act 2016, respectively. These enacted rates have been reflected in these financial statements when providing for deferred tax.

(c) Deferred tax

The movement on deferred tax is analysed as follows:

	2016 £000	2015 £000
On 1 January	36,142	26,362
(Charged)/credited to profit and loss account	<u>(4,255)</u>	<u>9,780</u>
As at 31 December	<u>31,887</u>	<u>36,142</u>

Centrica Finance (Scotland) Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8. Dividends paid and proposed

	2016	2015
	£000	£000
Declared and paid during the year		
Interim dividend of £314,430,000 (2015: £nil) per ordinary share	<u>314,430</u>	<u>-</u>

On 7 December the Company paid an interim dividend of £314,430,000 to its immediate parent undertaking GB Gas Holdings Limited (2015: £nil). The Directors do not recommend the payment of a final dividend (2015: £nil).

9. Investments

Investment cost in partnership undertakings

	2016	2015
	£000	£000
Cost and net book value		
At 1 January	669,421	669,421
Impairment of investment in Centrica Finance Limited Partnership	<u>(230,150)</u>	<u>-</u>
At 31 December	<u>439,271</u>	<u>669,421</u>

On 7 December 2016 Centrica Finance Limited Partnership ("CFLP") was wound up and in accordance with the limited partnership agreement the Company received a distribution of £314,470,480. The Company subsequently impaired its investment in CFLP to nil.

As part of a new ABC structure established in 2016 the Company contributed capital of £100 each to Finance Scotland 2016 Limited Partnership and CF 2016 LLP.

The Directors believe that the book value of investments at 31 December 2016 is supported by the value of the underlying assets. Investments in partnership undertakings represent the Companies interests in the following:

Partnership undertaking	Country of incorporation	Registered office	Principle activity
Finance Scotland CEPS Limited Partnership; Finance Scotland CPP Limited Partnership Finance Scotland CPS Limited Partnership; and, Finance Scotland 2016 Limited Partnership	Scotland	5 th Floor IQ Building, 15 Justice Mill Lane, Aberdeen, Scotland, AB11 6EQ	Group financing
CFCEPS LLP; CFCPP LLP; CFCPS LLP; and, CF 2016 LLP	England and Wales	Millstream, Maidenhead Road, Windsor, England, SL4 5GD	Group financing

The results of all undertakings are reported in the consolidated financial statements of Centrica plc.

10. Amounts owed by Group undertakings

	2016	2015
	£000	£000
Amounts owed by Group undertakings	<u>100</u>	<u>45</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

11. Trade and other payables

	2016	2015
	£000	£000
Amounts owed to Group undertakings	57,625	43,402
Other payables	<u>5</u>	<u>-</u>
	<u>57,630</u>	<u>43,402</u>

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

Centrica Finance (Scotland) Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

12. Called up share capital

	2016
	£000
Authorised, issued, allotted and fully paid:	
At 1 January 669,420,001 ordinary shares of £1 each	669,420
Cancellation of 669,420,000 ordinary shares of £1 each on 7 December	<u>(669,420)</u>
At 31 December 1 ordinary share of £1	<u><u>-</u></u>

13. Ultimate parent undertaking

The 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 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.