

Registered number : 04248952

Centrica Offshore UK Limited
Annual Report for the year ended
31 December 2013



**Centrica Offshore UK Limited
Company Information**

Directors

J D Craig (Appointed 01/10/2013)
S M Wills (Resigned 01/10/2013)
N Cohrs (Resigned 31/01/2014)
G S Collinson (Resigned 31/01/2014)

Secretary

Centrica Secretaries Limited

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Registered office

Venture House
42-54 London Road
Staines
Middlesex
TW18 4HF

Registered number

04248952

Centrica Offshore UK Limited

Strategic Report for the year ended 31 December 2013

The Director presents the Strategic Report of Centrica Offshore UK Limited (the 'Company') for the year ended 31 December 2013.

Business Review

The Company reported a loss for the financial year of £8.6 million (2012: £7.5 million).

The Rough facility is currently used as a storage facility by the immediate parent company, Centrica Storage Limited. The Company has the right to extract the remaining gas once operation as a storage facility has finished, which is expected to be around 2038. The Company sells the condensate produced as a consequence of operating as a storage facility.

The reservoir was drawn down to a record low in April 2013, and as a result more condensate was produced than in 2012, which resulted in higher revenue, also helped by a higher unit price from a new export route.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Further discussion of these risks and uncertainties in the context of the Centrica Group (the 'Group') as a whole is provided on pages 42-48 of the Centrica plc Annual Report and Accounts 2013 which do not form part of this report. The key business risks and uncertainties affecting the Company have been highlighted below:

Liquidity Risk

Cash forecasts identifying the liquidity requirements of the Centrica Storage Holdings group of companies are produced frequently and monitored by the directors. However, due to the timing of cash payments and cash receipts liquidity is not a major risk for the Company.

Commodity price risk

The key commodity price risk facing the Company is movement in gas and condensate prices. The Financial Risk Management Committee regularly monitors the extent of the Company's commodity price exposure.

Key performance indicators

The Directors of Centrica plc, the Company's ultimate parent undertaking, use a number of key performance indicators to monitor progress against the Group's strategy. The development, performance and position of the business which includes the Company, are discussed on pages 179-184 of the Annual Report and Accounts 2013 of Centrica plc which does not form part of this report.

The Strategic Report was approved by the board on 1 July 2014



Jeremy Thom
For and on behalf of Centrica Secretaries Limited
Company Secretary

Company number: 04248952, England and Wales
Registered Office:
Venture House
42-54 London Road
Staines, Middlesex
TW18 4HF

Centrica Offshore UK Limited
Registered number: 04248952
Director's Report for the year ended 31 December 2013

The Director presents his report and the audited financial statements of Centrica Offshore UK Limited (the 'Company') for the year ended 31 December 2013.

Principal Activities

The principal activity of the Company is the production of gas in the United Kingdom. The Company holds the production licence for the Rough field. For the purposes of the Companies Act 2006, this constitutes one class of business.

Financial Risk Management

The Director has established objectives and policies for managing financial risks, to enable Centrica Offshore UK Limited to achieve long-term shareholder value growth within a prudent risk management framework. These objectives and policies of the Company are regularly reviewed as part of Centrica Storage Holdings Group.

The Centrica Storage Holdings Group of companies has a Financial Risk Management Committee (FRMC) which meets on a regular basis:

Future Developments

The Director anticipates that the Company will make losses on an annual basis due to the impact of the finance charge in relation to the unwinding of the decommissioning liability. The ultimate parent company, Centrica plc, has indicated that it will support the Company to meet its liabilities and obligations as they fall due. The Director considers that all assets are fully recoverable taking into account the estimated present value of the cushion gas (the minimum volume of gas required in Rough to provide the necessary pressure to deliver working gas volumes to customers).

Results and Dividends

The results of the Company are set out on page 8.

Higher condensate revenue in the year was driven primarily by higher volumes and higher price with a new exit route to market. The net loss for the year ended 31 December 2013 is £8.6 million (2012: loss £7.5 million) and has been transferred to reserves.

In 2013 no dividend was paid on ordinary shares (2012: nil) and the Director does not recommend the payment of a final dividend.

Financial Position

The financial position of the Company is presented in the balance sheet on page 9. Shareholder funds at 31 December 2013 were £25.6 million (2012: £34.2 million).

Events Since the Balance Sheet Date

There are no reportable events after the balance sheet date.

Centrica Offshore UK Limited
Registered number: 04248952

Director's Report for the year ended 31 December 2013 (continued)

Directors

The following persons served as Directors during the year and up to the date of signing these financial statements:

J D Craig (Appointed 01/10/2013)
S M Wills (Resigned 01/10/2013)
N Cohrs (Resigned 31/01/2014)
G S Collinson (Resigned 31/01/2014)

At no time during the year ended 31 December 2013 did any Director have any interests in the shares of the Company (2012: nil) or any other company within the Group, except for interests in and options over the shares and interests of the ultimate parent company, Centrica plc.

There were no contracts of significance during or at the end of the financial year to which the Company or any subsidiary and associated undertaking is a party and in which any director is or was materially interested.

Director's and Officers' Liability

Director's 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.

Charitable and Political Donations

The Company made no political or charitable donations during the year (2012: nil).

Gas Reserves (unaudited)

The Company has estimated proven and probable gas reserves in the UK. Estimates are made by management based on the results of reserve studies performed by independent third party consultants. The principal field is the Rough field, with estimated net proven and probable reserves of 181 billion cubic feet (bcf) at 31 December 2013 (2012: 181 bcf).

Centrica Offshore UK Limited**Registered number: 04248952****Director's Report for the year ended 31 December 2013 (continued)****Statement of Director's responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Disclosure of Information to Auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant

Independent Auditors

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

This report was approved by the board on 1 July 2014 and signed by its order.



Jeremy Thom

For and on behalf of Centrica Secretaries Limited

Company Secretary

Company number: 04248952, England and Wales

Registered Office:

Venture House

42-54 London Road

Staines, Middlesex

TW18 4HF

Centrica Offshore UK Limited**Independent auditors' report to the member of Centrica Offshore UK Limited****Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Centrica Offshore UK Limited, comprise:

- the Balance Sheet as at 31 December 2013; and
- the Profit and Loss account for the year then ended
- 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 their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Director has 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (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 director; and
- the overall presentation of the financial statements.

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other Matters on which we are required to report by exception**Adequacy of accounting records and information and explanations received**

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

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

We have no exceptions to report arising from this responsibility.

Centrica Offshore UK Limited**Independent auditors' report to the member of Centrica Offshore UK Limited (Continued)****Director's remuneration**

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of director's remuneration specified by law have not been 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 director**

As explained more fully in the Statement of Director's responsibilities set out on page 5, the Director is 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 ISAs (UK and 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.



Bruce Collins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
2 July 2014

Centrica Offshore UK Limited
Profit and Loss Account
for the year ended 31 December 2013

	Notes	2013 £000's	2012 £000's
Turnover	2	2,052	462
Administrative expenses		(1,203)	(154)
Operating profit	3	<u>849</u>	<u>308</u>
Interest payable and similar charges	6	(3,541)	(2,285)
Loss on ordinary activities before taxation		<u>(2,692)</u>	<u>(1,977)</u>
Tax on loss on ordinary activities	7	(5,923)	(5,511)
Loss for the financial year	14	<u>(8,615)</u>	<u>(7,488)</u>

All amounts included in the Profit and Loss Account are derived from continuing operations.

The company has no recognised gains or losses other than the loss for the above two financial years. Therefore, no separate statement of recognised gains and losses has been presented.

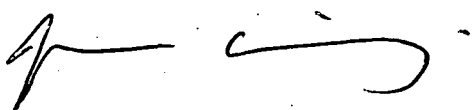
There is no difference between the loss on ordinary activities before taxation and the retained loss for the years stated above and their historic cost equivalent.

The notes on pages 10 to 17 form part of these financial statements.

Centrica Offshore UK Limited
Balance Sheet
as at 31 December 2013

	Notes	2013 £000's	2012 £000's
Fixed assets			
Tangible assets	8	119,974	103,866
Current assets			
Debtors	9	80,060	91,529
		<u>80,060</u>	<u>91,529</u>
Creditors: amounts falling due within one year	10	(6,158)	(275)
Net current assets		<u>73,902</u>	<u>91,254</u>
Total assets less current liabilities		<u>193,876</u>	<u>195,120</u>
Provisions for liabilities			
Other provisions	12	(168,316)	(160,945)
Net assets		<u>25,560</u>	<u>34,175</u>
Capital and reserves			
Called up share capital	13	4,500	4,500
Profit and loss account	14	21,060	29,675
Total shareholders' funds	15	<u>25,560</u>	<u>34,175</u>

These financial statements on pages 8 to 17 were approved and authorised for issue by the board of directors on 1 July 2014 and were signed on its behalf by:



J D Craig
Director

Approved by the board on 1 July 2014
The Company's Registered number is 04248952.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2013

1 Principal accounting policies

Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. These policies have been applied consistently to all the years presented, unless otherwise stated.

Exemptions

The Company has taken advantage of the exemptions available to wholly owned UK subsidiaries under Financial Reporting Standard 1 (Revised 1996) "Cashflow statements", and accordingly has not prepared a cash flow statement. The Company has also taken advantage of exemptions within Financial Reporting Standard 8 "Related party disclosures" from disclosure of transactions with other group companies as it is a wholly owned subsidiary of a company whose Financial Statements are publicly available and which include the results of the Company.

Tangible Assets

Tangible assets which includes rights to production of cushion gas are stated at historical cost less accumulated depreciation and any provisions for impairment.

The Company has the rights to produce the cushion gas at the Rough facility, however the cushion gas will not be fully produced until such time that the asset has finished operating as a gas storage facility.

The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Subsequent expenditure in respect of items of tangible assets such as the replacement of major parts, major inspections or overhauls, are capitalised as part of the cost of the related asset where it is probable that future economic benefits will arise as a result of the expenditure and the cost can be reliably measured. All other subsequent expenditure, including the costs of day-to-day servicing, repairs and maintenance, is expensed as incurred.

Depreciation

Depreciation is calculated so as to write-off the cost of tangible assets, less their estimated residual values, on a unit of production basis for cushion gas and abandonment asset. The useful economic life of the plant and machinery used in production is not impacted by the volume of gas produced. Plant and machinery is depreciated on the straight-line basis.

As a result of Centrica Storage Limited's operation of the Rough storage facility some condensate may be produced, title over which is held by the Company. Depreciation is recognised on Plant and machinery used specifically for condensate production.

Fixed assets are assessed for impairment by comparing the carrying values of income generating units and the estimated recoverable amount. The recoverable amount is the higher of value in use and net realisable value. Value in use represents the net present value of future net cash flows discounted on a pre-tax basis. Impairment losses and the write back of fixed assets are recognised in the Profit and Loss Account in the year in which they occur.

Decommissioning Costs

Operators of oil and gas fields on the United Kingdom Continental Shelf are required to remove installations at the end of their useful lives to the extent considered acceptable to the Department of Energy and Climate Change.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2013

1 Principal accounting policies (continued)

Provision is made for the net present value of the estimated cost of decommissioning the field at the end of its useful life. When this provision gives access to future economic benefits an asset is recognised; otherwise the provision is charged to the Profit and Loss Account. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within property, plant and equipment.

The Company capitalises the inflationary unwind of the discount on the decommissioning provision to the decommissioning asset. The interest element of the unwinding of the discount to the net present value is reported in the Profit and Loss Account as a financial item and is added to the net interest charge. This practice is consistent with the Statement of Recommended Practice ('SORP') for Oil and Gas accounting.

Petroleum Revenue Taxes

Petroleum Revenue Taxes ("PRT") are provided for on a unit of production basis when life of field PRT can be reliably estimated. Changes in estimates are dealt with prospectively over the remaining life of the gas field.

Turnover

Turnover is stated as amounts invoiced to customers for the sale of condensate and cushion gas and excludes value added tax. Turnover is recognised on production of cushion gas or condensate. Amounts paid in advance greater than amounts recognised as revenue are treated as deferred income, with any paid in arrears recognised as accrued income.

Taxation

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

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

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

Deferred tax is not recognised when fixed assets are re-valued unless by the balance sheet date there is a binding agreement to sell the re-valued assets and the gain or loss expected to arise on sale has been recognised in the Financial Statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2013

1 Principal accounting policies (continued)

Financial Instruments: Disclosure and Presentation

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. A debt instrument is a contractual obligation to deliver cash or another financial obligation.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Balance Sheet. Finance costs and gains or losses relating to financial liabilities are included in the Profit and Loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

All financial assets and liabilities are presented gross on the face of the Balance Sheet unless the Company has a legally enforceable right to net off the recognised amounts and it intends to settle on a net basis.

All interest bearing debt and loans are initially stated at the amount of the net proceeds for debt and costs for loans. After initial recognition, the carrying amounts of interest bearing loan receivables and payables are increased by the finance income and finance costs respectively. The carrying amounts are reduced by the payment or repayment of amounts owing under loan receivables and payables respectively. Where the recoverable amount is estimated to be less than the carrying value, impairment will be charged through operating costs in the profit and loss account.

The Company is exempted by FRS 29 from providing detailed disclosures in respect of its financial instruments because it does not apply FRS 26 Financial Instruments: (Recognition and measurement).

Centrica Offshore UK Limited**Notes to the Financial Statements for the year ended 31 December 2013**

2 Analysis of Turnover	2013	2012
	£000's	£000's
By activity:		
Sale of condensate	2,052	462
By geographical market:		
UK	<u>2,052</u>	<u>462</u>
3 Operating Profit	2013	2012
	£000's	£000's
This is stated after charging:		
Depreciation of owned fixed assets	1,058	-
Auditors' remuneration for audit services.	<u>15</u>	<u>15</u>

Auditors' remuneration of £15,000 (2012: £14,600) relates to fees for the audit of the UK GAAP statutory accounts of the Company and includes fees in relation to the audit of the IFRS group consolidation schedules, for the purpose of the Centrica Group audit, which also contribute to the audit of the Company.

Administrative expenses include direct costs of operating the storage facility owned during the year.

4 Directors' Emoluments	2013	2012
	£000's	£000's
Emoluments	-	89
Company contributions to pension schemes	<u>-</u>	<u>6</u>
	<u>-</u>	<u>95</u>

The emoluments of three of the directors borne by other group companies are payable for services wholly attributable to other Centrica plc subsidiary undertakings and not the Company. Accordingly, no details in respect of their emoluments have been included in these financial statements.

During 2012, a proportion of the Directors' remuneration was allocated to the Company in respect of services provided during the year, however a review of this allocation in 2013 indicated costs are wholly attributable to other group companies.

Number of directors in company pension schemes:	2013	2012
	Number	Number
Money purchase schemes	-	1
Defined benefit schemes	<u>-</u>	<u>2</u>

5 Employee Costs

The Company has no employees (2012: nil) and no staff costs (2012: nil). All costs relating to employees are borne by another Group company.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2013

6 Interest Payable	2013	2012
	£000's	£000's
Unwinding of discount on decommissioning provision	<u>3,541</u>	<u>2,285</u>
7 Tax on loss on ordinary activities	2013	2012
	£000's	£000's
Analysis of tax charge in the period		
Current tax:		
UK corporation tax on loss of the period at 23.25% (2012: 24.5%)	2,533	50
Supplemental upstream tax at 38.75% (2012: 37.5%)	3,613	76
Adjustments in respect of previous periods	<u>(126)</u>	<u>(7)</u>
	<u>6,020</u>	<u>119</u>
Deferred tax:		
Origination and reversal of timing differences	(785)	(4,417)
Effect of change to the deferred tax rate	688	9,815
Adjustments in respect of previous periods	<u>-</u>	<u>(6)</u>
	<u>(97)</u>	<u>5,392</u>
Tax on loss on ordinary activities	<u>5,923</u>	<u>5,511</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2013	2012
	£000's	£000's
(Loss) on ordinary activities before taxation	<u>(2,692)</u>	<u>(1,977)</u>
Standard rate of corporation tax in the UK	23.25%	24.5%
	£000's	£000's
(Loss) on ordinary activities multiplied by the standard rate of corporation tax	(626)	(484)
Effects of:		
Other timing differences	294	560
Group relief for nil consideration	-	(499)
Additional charges applicable to upstream profits	3,613	76
UK:UK transfer pricing adjustment	2,865	473
Adjustments to tax charge in respect of previous periods	<u>(126)</u>	<u>(7)</u>
Current tax charge for period	<u>6,020</u>	<u>119</u>

Centrica Offshore UK Limited

Notes to the Financial Statements for the year ended 31 December 2013

7 Tax on profit/(loss) on ordinary activities (continued)

Factors that may affect future tax charges

The main rate of corporation tax was reduced from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013. Further reductions to reduce the rate to 21% from 1 April 2014 and to 20% by 1 April 2015 were substantively enacted in Finance Act 2013 and have been reflected within these financial statements.

There was no change to the ring fence corporation tax rate of 30% or the supplementary charge rate of 32%. The reduction of 12% to the rate of relief available for decommissioning expenditure against the supplementary charge effective from 21 March 2012 was enacted in Finance Act 2012.

8 Tangible assets

	Plant & Machinery £000's	Abandonment Asset £000's	Cushion Gas £000's	Total £000's
Cost				
At 1 January 2013	-	83,868	33,101	116,969
Inflationary adjustment		3,830	-	3,830
Additions	13,336	-		13,336
At 31 December 2013	<u>13,336</u>	<u>87,698</u>	<u>33,101</u>	<u>134,135</u>
Depreciation				
At 1 January 2013	-	1,205	11,898	13,103
Charge for the year	1,058	-	-	1,058
At 31 December 2013	<u>1,058</u>	<u>1,205</u>	<u>11,898</u>	<u>14,161</u>
Net book value				
At 31 December 2013	<u>12,278</u>	<u>86,493</u>	<u>21,203</u>	<u>119,974</u>
At 31 December 2012	<u>-</u>	<u>82,663</u>	<u>21,203</u>	<u>103,866</u>

9 Debtors

	2013 £000's	2012 £000's
Amounts owed by group undertakings	48,709	60,275
Deferred tax asset (see note 11)	31,351	31,254
	<u>80,060</u>	<u>91,529</u>

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

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2013

10 Creditors: amounts falling due within one year	2013	2012
	£000's	£000's
Corporation tax	6,143	275
Accruals and deferred income	15	-
	<u>6,158</u>	<u>275</u>

11 Deferred taxation	2013	2012
	£000's	£000's
Other timing differences		
Provided for	31,351	31,254
Undiscounted provision for deferred tax	<u>31,351</u>	<u>31,254</u>

The deferred tax asset is reconciled as follows:

	2013	2012
	£000's	£000's
At 1 January	31,254	36,646
Deferred tax credit/(charge) in profit and loss account	97	(5,392)
At 31 December	<u>31,351</u>	<u>31,254</u>

The deferred corporation tax asset primarily at 50% (2012: 50%) is analysed as follows:

	2013	2012
	£000	£000
Deferred corporation tax (provision)/asset		
- accelerated capital allowances	(1,411)	-
- other timing differences	32,762	31,254
	<u>31,351</u>	<u>31,254</u>

12 Provisions for liabilities

	Decommissioning liabilities
	£000's
At 1 January 2013	160,945
Unwinding of discount (note 6)	3,541
Inflationary increase (note 8)	3,830
At 31 December 2013	<u>168,316</u>

The estimated cost of decommissioning at the end of the life of the storage and production facilities is based on engineering estimates and, in the case of the Rough facility, reports from independent experts. Provision is made for the net present value of the estimated cost of decommissioning at the Balance Sheet date. The payment date of total expected future decommissioning costs is uncertain, but is currently anticipated to be 2038 for the Rough facility.

Centrica Offshore UK Limited**Notes to the Financial Statements for the year ended 31 December 2013**

13 Called up share capital	Nominal value	2013 Number	2013 £000's	2012 £000's
Allotted, called up and fully paid:				
Ordinary shares	£1 each	4,500,000	4,500	4,500
			<hr/>	<hr/>
14 Profit and loss account			2013 £000's	2012 £000's
At 1 January			29,675	37,163
Loss for the financial year			(8,615)	(7,488)
			<hr/>	<hr/>
At 31 December			21,060	29,675
15 Reconciliation of movements in shareholders' funds			2013 £000's	2012 £000's
At 1 January			34,175	41,663
Loss for the financial year			(8,615)	(7,488)
			<hr/>	<hr/>
At 31 December			25,560	34,175

16 Ultimate controlling party

Centrica plc, a company registered in England and Wales, is the ultimate parent company and ultimate controlling party. Centrica plc has a 100 percent interest in the equity share capital of Centrica Holdings Limited, which in turn owns 100 percent of GB Gas Holdings Limited, which in turn owns 100 percent of Centrica Storage Holdings Limited. Centrica Storage Holdings Limited has a 100 percent interest in the equity share capital of Centrica Storage Limited. Centrica Storage Limited is the Company's immediate parent undertaking.

Centrica plc is the parent company of the largest and smallest group for which consolidated financial statements are drawn up. Copies of the ultimate parent company's consolidated financial statements can be obtained from Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD or www.centrica.com.