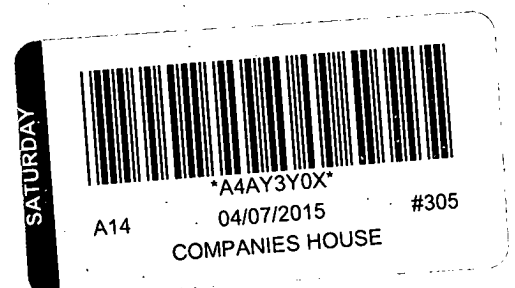


Final

Registered number : 04248952

Centrica Offshore UK Limited
Annual Report for the year ended
31 December 2014



**Centrica Offshore UK Limited
Company Information**

Director

G C McKenna

Secretary

Centrica Secretaries Limited

Auditors

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

Registered office

1st Floor

20 Kingston Road

Staines-upon-Thames

Middlesex

TW18 4LG

Registered number

04248952

Centrica Offshore UK Limited

Strategic Report for the year ended 31 December 2014

The Director presents the Strategic Report of Centrica Offshore UK Limited ('the Company') for the year ended 31 December 2014.

Review of business

The Company reported a loss for the financial year of £4.3 million (2013: £8.6 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 cushion gas once operation as a storage facility has finished, which is expected to be in approximately 20 years. The Company has title to and sells the condensate produced during the operation of the storage facility. The Company also has the obligation to decommission the Rough facility after extracting the cushion gas.

Financial position

The financial position of the Company is presented in the balance sheet on page 9. Shareholder funds at 31 December 2014 were £21.2 million (2013: £25.6 million).

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 40-45 of the Centrica plc Annual Report and Accounts 2014 which do not form part of this report. The key business risks and uncertainties affecting the Company have been highlighted below:

1. 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.

2. Commodity price risk

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

3. Regulatory risk

The Company is required to operate within the regulatory guidelines set by UK and European bodies. These place constraints on the Company's activities. Failure to comply with the regulations set by these bodies carries significant reputational, financial and legal consequences. The regulatory and compliance team for the Centrica Storage Holdings group of companies monitors regulatory risk and updates directors on a regular basis.

Key performance indicators (KPIs)

The Director believes that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

Further information about KPIs, in the context of the Group, can be found in the Annual Report and Accounts 2014 of the Group which does not form part of this report.

Centrica Offshore UK Limited
Strategic Report for the year ended 31 December 2014

The Strategic Report was approved by the Board on 24 June 2015



Jeremy Thom
By order of the board for and on behalf of Centrica Secretaries Limited
Company Secretary
24 June 2015

Company number: 04248952, England and Wales

Registered Office:
1st Floor
20 Kingston Road
Staines-upon-Thames
Middlesex
TW18 4LG

Centrica Offshore UK Limited
Director's Report for the year ended 31 December 2014

The Director presents his report and the audited financial statements of Centrica Offshore UK Limited ('the Company') for the year ended 31 December 2014.

Future developments

The Director anticipates that the Company will make losses before tax 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.

The loss on ordinary activities after taxation for the year ended 31 December 2014 is £4.3 million (2013: loss £8.6 million).

Following a high minimum reservoir level in early Q2, which led to lower condensate volumes than 2013, the reservoir was subsequently filled to a record level of 41.1 TWh in November 2014.

No dividends were paid during the year and the Director does not recommend the payment of a final dividend (2013: nil).

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 has a Financial Risk Management Committee (FRMC) which meets on a regular basis.

Events since the balance sheet date

There are no reportable events after the balance sheet date.

Directors

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

G C McKenna	(Appointed 11.02.2015)
J D Craig	(Resigned 11.02.2015)
N Cohrs	(Resigned 31.01.2014)
G S Collinson	(Resigned 31.01.2014)

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.

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 2014 (2013: 181 bcf).

Centrica Offshore UK Limited
Director's Report for the year ended 31 December 2014 (continued)

Statement of Directors' responsibilities

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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

The Director who held office at the date of approval of this Director's Report 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Director 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 audit information and to establish that the company's auditors are aware of that information.

Auditors

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

This Director's report was approved by the Board on 24 June 2015



Jeremy Thom
By order of the board for and on behalf of Centrica Secretaries Limited
Company Secretary
24 June 2015

Company number: 04248952, England and Wales

Registered Office:
1st Floor
20 Kingston Road
Staines-upon-Thames
Middlesex
TW18 4LG

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

Report on the financial statements

Our opinion

In our opinion, Centrica Offshore UK Limited's financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its 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.

What we have audited

Centrica Offshore UK Limited's financial statements comprise:

- Balance Sheet as at 31 December 2014; and
- Profit and Loss account 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 their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matters prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of Directors' remuneration specified by law have not been made. 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)****Responsibilities for the financial statements and the audit****Our responsibilities and those of the directors**

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

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 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 member 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.



Bruce Collins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 June 2015

Vertical line on the left side of the page.

Centrica Offshore UK Limited
Profit and Loss Account
for the year ended 31 December 2014

	Notes	2014 £000's	2013 £000's
Turnover	2	479	2,052
Cost of sales		(1,922)	(1,189)
Gross (loss)/profit		<u>(1,443)</u>	<u>863</u>
Administrative expenses		(14)	(14)
Operating (loss)/profit	3	<u>(1,457)</u>	<u>849</u>
Interest payable and similar charges	6	(4,033)	(3,541)
Loss on ordinary activities before taxation		<u>(5,490)</u>	<u>(2,692)</u>
Tax on loss on ordinary activities	7	1,163	(5,923)
Loss for the financial year	14	<u>(4,327)</u>	<u>(8,615)</u>

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

The 2013 costs have been re-presented above to show a more appropriate split between cost of sales and administrative expenses. There is no impact on the Operating profit for 2013.

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.

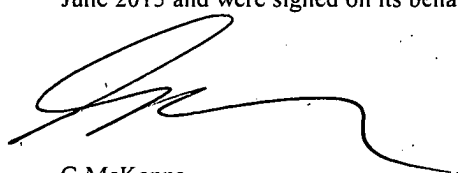
There is no difference between the loss on ordinary activities before taxation and the retained loss for the years stated above and their historic cost equivalent.

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

Centrica Offshore UK Limited
Balance Sheet
as at 31 December 2014

	Notes	2014 £000's	2013 £000's
Fixed assets			
Tangible assets	8	164,354	119,974
Current assets			
Debtors: amounts falling due within one year	9	45,590	48,709
Debtors: amounts falling due after more than one year	9	30,894	31,351
		<u>76,484</u>	<u>80,060</u>
Creditors: amounts falling due within one year	10	(9,758)	(6,158)
Net current assets		<u>66,726</u>	<u>73,902</u>
Total assets less current liabilities		<u>231,080</u>	<u>193,876</u>
Provisions for liabilities			
Provisions for liabilities	12	(209,847)	(168,316)
Net assets		<u>21,233</u>	<u>25,560</u>
Capital and reserves			
Called up share capital	13	4,500	4,500
Profit and loss account	14	16,733	21,060
Total shareholders' funds	15	<u>21,233</u>	<u>25,560</u>

These financial statements on pages 8 to 17 were approved and authorised for issue by the Board of Directors on 24 June 2015 and were signed on its behalf by:



G McKenna
Director
 24 June 2015

The Company's Registered number is 04248952.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2014

1 Principal accounting policies

Basis of Preparation

These financial statements are prepared on the going concern basis, as its ultimate parent company, Centrica plc, has confirmed that it will ensure the Company can meet its liabilities and obligations as they fall due for one year from the date of approval of these financial statements. These financial statements are prepared 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) "Cash Flow 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 plant and machinery assets 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.

Impairment

Tangible fixed assets, fixed asset investments and goodwill are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Newly acquired goodwill or intangible fixed asset are subject to a first year impairment review. This review is carried out at the end of the first full financial year following their acquisition. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net realisable value, or value in use of the relevant income generating unit or underlying asset.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2014

1 Principal accounting policies (continued)

Impairment (continued)

Net realisable value calculations use cash flow projections based on the Board-approved three year business plans which are extrapolated to the end of asset life. Cash flows are discounted using a post-tax discount rate specific to the cash-generating unit to determine the cash-generating unit's net realisable value. For 2014 the rate was 7.5% (2013: 7.5%).

If an asset is impaired, a provision is made in that financial year to reduce the carrying amount to its estimated recoverable amount.

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 regulator.

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.

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 the transfer of title 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.

Cost of sales

Cost of sales is shown exclusive of value added tax and represents costs directly attributable to the running of offshore and onshore assets, including depreciation. The 2013 costs have been re-presented in the Profit and Loss Account to show a more appropriate split between cost of sales and administrative expenses.

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.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2014

1 Principal accounting policies (continued)

Taxation (continued)

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.

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.

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 Financial Instruments: Disclosures 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 2014**

2 Turnover	2014	2013
	£000's	£000's
By activity:		
Sale of condensate	479	2,052
	<hr/>	<hr/>
By geographical market:		
UK	479	2,052
	<hr/>	<hr/>
3 Operating profit	2014	2013
	£000's	£000's
This is stated after charging:		
Depreciation of owned fixed assets	1,776	1,058
Auditors' remuneration for audit services	15	15
	<hr/>	<hr/>

Auditors' remuneration of £15,000 (2013: £15,000) relates to fees for the audit of the UK GAAP statutory financial statements of the Company. In 2013 this amount included fees in relation to the audit of the IFRS group consolidation schedules, for the purpose of the Centrica Group audit, which also contributed to the audit of the Company.

Cost of sales includes the direct costs of operating the storage facility owned during the year.

4 Directors' emoluments

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.

5 Employee costs

The Company has no employees (2013: nil) and no staff costs (2013: nil).

6 Interest payable	2014	2013
	£000's	£000's
Unwinding of discount on decommissioning provision	4,033	3,541
	<hr/>	<hr/>

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2014

7 Tax on loss on ordinary activities	2014 £000's	2013 £000's
Analysis of tax charge in the period		
Current tax:		
UK corporation tax on loss of the period at rate of 21.49% (2013: 23.25%)	(2,504)	2,533
Supplemental upstream tax at 40.5% (2013: 38.75%)	-	3,613
Adjustments in respect of previous periods	884	(126)
	<u>(1,620)</u>	<u>6,020</u>
Deferred tax:		
Origination and reversal of timing differences	(711)	(785)
Effect of changes in tax rates	1,168	688
	<u>457</u>	<u>(97)</u>
Tax on loss on ordinary activities	<u>(1,163)</u>	<u>5,923</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:

	2014 £000's	2013 £000's
(Loss) on ordinary activities before taxation	<u>(5,490)</u>	<u>(2,692)</u>
Standard rate of corporation tax in the UK	21.49%	23.25%
	£000's	£000's
(Loss) on ordinary activities multiplied by the standard rate of corporation tax	(1,180)	(626)
Effects of:		
Other timing differences	246	294
Additional charges applicable to upstream profits	(1,636)	3,613
UK:UK transfer pricing adjustment	66	2,865
Adjustments to tax charge in respect of previous periods	884	(126)
Current tax charge/(credit) for period	<u>(1,620)</u>	<u>6,020</u>

Factors that may affect future tax charges

The main rate of Corporation Tax was reduced from 23% to 21% from 1 April 2014. A further reduction to reduce the rate to 20% from 1 April 2015 was substantively enacted in Finance Act 2013 on 2 July 2013 and has been reflected within these financial statements.

There was no change to the ring fence corporation tax rate of 30%. The supplementary charge rate was reduced under Finance Act 2015 from 32% to 20% with effect from 1 January 2015. This change was not substantively enacted at the balance sheet date and has not therefore been included in these financial statements. The impact of this reduction on the deferred tax balances would be a decrease to deferred tax assets of £3 million.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2014

8 Tangible assets

	Plant & Machinery £000's	Abandonment Asset £000's	Cushion Gas £000's	Total £000's
Cost				
At 1 January 2014	13,336	87,698	33,101	134,135
Inflationary adjustment		4,841	-	4,841
Additions	8,658	32,657		41,315
At 31 December 2014	<u>21,994</u>	<u>125,196</u>	<u>33,101</u>	<u>180,291</u>
Depreciation				
At 1 January 2014	1,058	1,205	11,898	14,161
Charge for the year	1,776	-	-	1,776
At 31 December 2014	<u>2,834</u>	<u>1,205</u>	<u>11,898</u>	<u>15,937</u>
Net book value				
At 31 December 2014	<u>19,160</u>	<u>123,991</u>	<u>21,203</u>	<u>164,354</u>
At 31 December 2013	<u>12,278</u>	<u>86,493</u>	<u>21,203</u>	<u>119,974</u>

9 Debtors	2014	2013
	£000's	£000's
Amounts owed by Group undertakings	45,590	48,709
Deferred tax asset (see note 11)	30,894	31,351
	<u>76,484</u>	<u>80,060</u>

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

The deferred tax asset is classed as amounts falling due after more than one year.

10 Creditors: amounts falling due within one year	2014	2013
	£000's	£000's
Amounts owed to Group undertakings	9,743	-
Corporation tax	-	6,143
Accruals and deferred income	15	15
	<u>9,758</u>	<u>6,158</u>

Amounts owed to Group undertakings are unsecured, repayable on demand and do not bear interest.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2014

11 Deferred taxation

The deferred tax asset is reconciled as follows:	2014	2013
	£000's	£000's
At 1 January	31,351	31,254
Deferred tax (charge)/credit in profit and loss account	(457)	97
At 31 December	<u>30,894</u>	<u>31,351</u>

The deferred corporation tax asset is primarily measured at a 50% tax rate (2013: 50%) and is analysed as follows:

	2014	2013
	£000	£000
Deferred corporation tax (provision)/asset		
- accelerated capital allowances	(3,202)	(1,411)
- other timing differences	34,096	32,762
	<u>30,894</u>	<u>31,351</u>

12 Provisions for liabilities

	Decommissioning liabilities
	£000's
At 1 January 2014	168,316
Unwinding of discount (note 6)	4,033
Inflationary increase (note 8)	4,841
Changes in provision (note 8)	32,657
At 31 December 2014	<u>209,847</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 in approximately 20 years for the Rough facility.

Centrica Offshore UK Limited
Notes to the Financial Statements for the year ended 31 December 2014

13 Called up share capital	Nominal value	2014 Number	2014 £000's	2013 £000's
Allotted, called up and fully paid:				
Ordinary shares	£1 each	4,500,000	<u>4,500</u>	<u>4,500</u>
14 Profit and loss account			2014 £000's	2013 £000's
At 1 January			21,060	29,675
Loss for the financial year			(4,327)	(8,615)
At 31 December			<u>16,733</u>	<u>21,060</u>
15 Reconciliation of movements in shareholders' funds			2014 £000's	2013 £000's
At 1 January			25,560	34,175
Loss for the financial year			(4,327)	(8,615)
At 31 December			<u>21,233</u>	<u>25,560</u>

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.