# **CENTRICA PLC**

# REPORT ON PAYMENTS TO GOVERNMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Centrica plc Millstream Maidenhead Road Windsor Berkshire SL4 5GD

Registered in England & Wales No 3033654



### Introduction

This Report contains payments to Governments made by Centrica plc and its subsidiaries for the year ended 31 December 2017 as required under the UK's Report on Payments to Governments Regulations 2014 (as amended in December 2015). These UK Regulations enact domestic rules in line with Directive 2013/34/EU (the EU Accounting Directive (2013)) and apply to large UK incorporated companies like Centrica Plc that are involved in the exploration, prospection, discovery, development and extraction of oil, natural gas deposits or other materials. This Report is also intended to satisfy the requirements of the Disclosure and Transparency Rules of the Financial Conduct Authority in the United Kingdom.

### **Basis of preparation**

### Legislation

This Report is prepared in accordance with The Reports on Payments to Governments Regulations 2014 as enacted in the UK in December 2014 and as amended in December 2015.

### Reporting entities

This Report contains payments to Governments made by Centrica plc and its subsidiaries involved in the "Activities" below.

### **Activities**

Payments made by Centrica Plc or any of its subsidiaries to Governments arising from activities involving the exploration, prospection, discovery, development and extraction of oil and natural gas deposits or other materials (extractive activities) are disclosed in this Report.

### Government

Government includes any national, regional or local authority of a country, and includes a department, agency or entity that is a subsidiary of a Government, which includes a national oil company.

### **Project**

Payments are reported at project level except those which are not attributable to a specific project, are reported at entity level. 'Project' means the operational activities which are governed by a single contract, licence, lease, concession or similar legal agreement, and form the basis for payment liabilities with a Government. If agreements of the kind referred to in the definition of 'project' are substantially interconnected, those agreements are treated for the purposes of these regulations as a single project.

### **Payment**

The information is reported under the following payment types. All payments are denoted as positive numbers and receipts/refunds are denoted in brackets.

### **Production entitlements**

Subject to the terms of the contractual arrangements, payments are calculated on the basis of the Government's share of production (whether a Government department, agency or state-owned enterprise) under production sharing agreements. There were no reportable Production entitlement payments made to a Government during the year ended 31 December 2017.

### Taxes

Tax payments made on the income, production or profits of companies, but excluding taxes levied on consumption (such as VAT, personal income taxes or sales taxes).

### **Royalties**

These are payments for the rights to extract oil and gas resources, typically at set percentage of revenue less any deductions that may be taken. Any Royalty payments made in kind are also included.

### Dividends

These are dividend payments other than dividends paid to a Government as an ordinary shareholder of an entity unless paid in lieu of production entitlements or royalties. There were no reportable Dividend payments made to a Government during the year ended 31 December 2017.

### **Bonuses**

These are payments for Bonuses. These are usually paid upon signing an agreement or a contract, or when a commercial discovery is declared, or production has commenced or reached a milestone. There were no reportable Bonus payments made to a Government during the year ended 31 December 2017.

### Fees

These are licence fees, rental fees, entry fees and other considerations for licences or concessions. Administrative fees, payments for permits and payments for services provided by a government have been excluded.

### Infrastructure improvements

These are payments which relate to the construction of infrastructure (road, bridge or rail) not substantially dedicated for the use of extractive activities. There were no reportable Infrastructure Improvement payments made to a Government during the year ended 31 December 2017.

### Operatorship

Where Centrica Plc or any of its subsidiaries make a payment directly to a Government arising from a project, regardless of whether Centrica Plc is the operator, the full amount paid is disclosed irrespective of whether costs are subsequently recovered through cost sharing arrangements.

### Cash and in-kind payments

Payments are reported on a cash basis. In-kind payments are converted to an equivalent cash value based on the most appropriate and relevant valuation method for each payment, which can be at cost or market value or such value as stated in the contract. In-kind payments are reported in both volumes and the equivalent cash value.

### Materiality Level

Payments, whether made as a single payment or as a series of related payments to a Government, have been excluded from the report if they are cumulatively below £86,000 for the reporting period.

### **Exchange Rate**

Payments made in currencies other than British Pound are translated for this Report based on the foreign exchange rate as of the Centrica Plc year end 31 December 2017.

# **Summary Report by Country (GBP 000's)**

# Payments/(Refunds)

Country	Production entitlements Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
United Kingdom	(16,488)				2,123		(14,365)
Netherlands					1,239		1,239
Norway	149,404				3,469		152,873
Canada	9,291	14,046			6,238		29,575
Trinidad & Tobago					851		851
Total	142,207	14,046			13,920		170,173

# **United Kingdom (GBP 000's)**

Governments	Production entitlements	Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Oil and Gas Authority						2,123		2,123
Her Majesty's Revenue and Customs		(16,488)				_,		(16,488)
Total		(16,488)				2,123		(14,365)

Projects	Production entitlements	Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Brae		(949)						(949)
Chestnut						115		115
Greater Markham Area						1,258		1,258
Morecambe Hub		(11,310)				339		(10,971)
Statfjord						140		140
Victor		(4,229)						(4,229)
Exploration Licences						271		271
Total		(16,488)				2,123		(14,365)

# Netherlands (GBP 000's)

# Payments/(Refunds)

Governments	Production entitlements	Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Apeldoorn Tax Authority						300		300
Oil and Gas Authority						939		939
Total						1,239		1,239

Projects	Production entitlements	Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Greater Markham Area						1,239		1,239
Total						1,239		1,239

# Norway (GBP 000's)

Governments	Production entitlements	Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Oljedirektoratet						3,469		3,469
Skatteetaten		149,404						149,404
Total		149,404				3,469		152,873

Projects	Production entitlements	Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Entity Level		149,404						149,404
Fogelberg						1,235		1,235
Ivory/Vale						(80)		(80)
Oda						2,314		2,314
Total		149,404				3,469		152,873

# Canada (GBP 000's)

# Payments/(Refunds)

Alberta Department of Energy Alberta Barcay Regulator Alberta Barcay Regulator Alberta Barcay Regulator Commissione Alberta Barcay Minister of Finance, Finance, Barcish Columbia Minister of Finance, Province of Alberta  Alberta Barcay Minister of Finance, Mineral, Oli & Gas Revenue Brahe Minister of Finance, Province of Alberta  Alberta Barcay Minister of Finance, Province of Alberta  Alberta Barcay Minister of Finance, Province of Finance, Province of Alberta  Alberta Barcay Minister of Finance, Province of Finance, Province of Alberta  Alberta Barcay Minister of Finance, Minister of Finance, Minister of Finance, Province of Finance, Province of Alberta  Alberta Barcay Minister of Finance, Minister of Finan	Governments	Production entitlements Taxo	es Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Alberta Deroil Marketing Commission*  Alberta Careng Minister of Bost Bost Bost Commission*  Canada Revenue Agency 2,226	Alberta Department of Energy		9,083					9,083
Commissions*         2.601           Abberta Energy Minister of Finance.         808         808           Finance.         857         857           Finance, Energy & Minister of Finance, Energy & Minister of Finance, Agency         2.226         2.226           Government of Alberta         860         860           Minister of Finance, Mineral,         132         132           Oil & Gas Revenue Branch         131         132         132           Minister of Finance, Province of Alberta         1,119         473         473         473           Canada Receiver General         473         473         473         150 <td>Alberta Energy Regulator</td> <td></td> <td></td> <td></td> <td></td> <td>3,337</td> <td></td> <td>3,337</td>	Alberta Energy Regulator					3,337		3,337
Aberta Borigy Minister of Finance, Energy & Mirister of Finance, Energy & Mirister of Finance, Energy & Mirister of Finance, Cancer & 180 880 880 880 880 880 880 880 880 880			2,661					2,661
Britab Columbia Minister of Finance, Energy & Mines Finance, Minestar of Finance, Minestar of Finance, Minestar of Finance, Minestar of Finance, Province of Alberta	Alberta Energy Minister of					808		808
Government of Alberta         860         808           Minister of Finance, Mineral, Oil & Gas Revenue Branch         132         132           Minister of Finance, Province of Alberta         1,119         1,119           Canada Receiver General         473         473           Sakatachewan Ministry of Energy and Resources         150         150           British Colombia Ministry of Finance         1,829         1,829           Alberta Boilers Safety         28         1,829         1,829           Municipal Government - Rocky View         289         289         289           Municipal Government - Sake Municipal Government - Municipal Government - Sake Muni	British Columbia Minister of							
Minister of Finance, Mineral, Oil & Gas Revenue Branch Of Alberta         1,119         1,	Canada Revenue Agency	2,22	6					2,226
Oil & Cas Revenue Branch         1.19	Government of Alberta					860		860
of Alberta         1.119           Canada Receiver General         473         473           Saskatchewan Ministry of Energy and Resources         150         150           British Colombia Ministry of Finance         1,829         1,829           Alberta Boilers Safety         38         94         94           Alberta Boilers Safety         289         49         94         94           Municipal Government – Rocky View         289         289         128         289           Municipal Government – Stoney Tribal Administration         127         127         127         127         127         127         128						132		132
Sakatchewan Ministry of Energy and Resources         150         150           British Colombia Ministry of Finance         1,829         1,829           Alberta Boilers Safety         34         94           Association         94         94           Municipal Government – Rocky View         289         289           Municipal Government – Stoney Tribal Administration         127         127           Municipal Government – MD of Bighorn No 8         650         650         650         660		1,11	9					1,119
Energy and Resources         1,829         1,829           British Colombia Ministry of Finance         1,829         1,829           Alberta Boilers Safety         94         98           Association         98         98           Municipal Government - Rocky View         289         289           Municipal Government - Stoney Tribal Administration         127         127           Municipal Government - MD of Bighorn No 8         650         8650           Municipal Government - Yellowhead         1,320         1,320           Municipal Government - Yellowhead         1,320         296           Municipal Government - Tumbler Ridge         300         300           Municipal Government - Tumbler Ridge         300         288           Municipal Government - Saddle Hills         308         308           Municipal Government - Saddle Hills         308         288           Municipal Government - Saddle Hills         308         308           Municipal Government - Saddle Hills         308         308           Municipal Government - Saddle Hills         308         308           Municipal Government - Sarche Saddle Hills         308         308           Municipal Government - Sarche Saddle Hills         308         308	Canada Receiver General		473					473
Finance         1,829         1,829           Alberta Boilers Safety         94         94           Association         94         94           Municipal Government – Rocky View         289         289           Municipal Government – Stoney Tribal Administration         127         127           Municipal Government – Moribal Administration         127         127           Municipal Government – Municipal Government – Tribal Administration         1,320         1,320           Municipal Government – Ponoka County         296         296         296           Municipal Government – Tribal Proposed County         296         296         300           Municipal Government – Tribal Proposed County         296         296         300           Municipal Government – Tribal Proposed County         296         296         296         296         296         296         296         296         296         296         296         296         296         296         296         296         296         296         298         298         298         298         298         298         298         298         298         298         298         298         298         298         298         298         298         298 <td>Energy and Resources</td> <td></td> <td></td> <td></td> <td></td> <td>150</td> <td></td> <td>150</td>	Energy and Resources					150		150
Association 94 94 94 Municipal Government – Rocky View 289 289 289 289 3127 3127 3127 3128 3128 3128 3128 3128 3128 3128 3128			1,829					1,829
Rocky View         289           Municipal Government – Stoney Tribal Administration         127           Municipal Government – MD of Bighom No 8         650           Municipal Government – Yellowhead         1,320           Municipal Government – Ponoka County         296           Municipal Government – Tumbler Ridge         300           Municipal Government – Northern Rockies         288           Municipal Government – Saddle Hills         305           Municipal Government – Saddle Government – Saddle Hills         305           Municipal Government – Saddle Government – Saddle Government – Saddle Hills         305           Municipal Government – Saddle Government – Sad						94		94
Stoney Tribal Administration         127           Municipal Government – MD of Bighorn No 8         650         650           Municipal Government – Yellowhead         1,320         1,330           Municipal Government – Ponoka Country         296         296           Municipal Government – Tumbler Ridge         300         300           Municipal Government – Northern Rockies         288         288           Municipal Government – Saddle Hills         305         305           Municipal Government – Camrose No 22         258         258           Municipal Government – Camrose No 22         258         258           Municipal Government – Lacombe         313         313           Municipal Government – Lacombe         94         94           Municipal Government – Lacombe         34         94           Municipal Government – Lacombe         34         31           Municipal Government – Lacombe         34         34           Municipal Government – Lacombe		28	9					289
of Bighorn No 8         650           Municipal Government – Yellowhead         1,320           Municipal Government – Ponoka County         296           Municipal Government – Tumbler Ridge         300         300           Municipal Government – Northern Rockies         288         288           Municipal Government – Saddle Hills         305         305           Municipal Government – Camrose No 22         258         258           Municipal Government – Camrose No 22         258         258           Municipal Government – Lacombe         131         131           Municipal Government – Lacombe         94         94           Municipal Government – Lacombe         144         94           Municipal Government – Vetaskiwin No 10         144         144           Municipal Government – Clearwater         1,381         1,381           Provincial Government – Friish Colombia Minister of Finish Colombia Minister of Finish Colombia Minister of Finish Colombia Minister of Finish Colombia Minister of Finance         363         363		12	7					127
Municipal Government – Ponoka County         296         296           Municipal Government – Tumbler Ridge         300         300           Municipal Government – Northern Rockies         288         288           Municipal Government – Saddle Hills         305         305           Municipal Government – Camrose No 22         258         258           Municipal Government – Barrhead         131         131           Municipal Government – Lacombe         94         94           Municipal Government – Wetaskiwin No 10         144         144           Municipal Government – Clearwater         1,381         1,381           Provincial Government – British Colombia Minister of Finance         363         363	of Bighorn No 8 Municipal Government –							
Ponoka County         296         296           Municipal Government – Tumbler Ridge         300         300           Municipal Government – Northern Rockies         288         288           Municipal Government – Saddle Hills         305         305           Municipal Government – Camrose No 22         258         258           Municipal Government – Barrhead         131         131           Municipal Government – Lacombe         94         94           Municipal Government – Wetaskiwin No 10         144         144           Municipal Government – Clearwater         1,381         1,381           Provincial Government – British Colombia Minister of Frinance         363         363		1,32	0					1,320
Tumbler Ridge         300         300           Municipal Government – Northern Rockies         288         288           Municipal Government – Saddle Hills         305         305           Municipal Government – Camrose No 22         258         258           Municipal Government – Barrhead         131         131           Municipal Government – Lacombe         94         94           Municipal Government – Wetaskiwin No 10         144         144           Municipal Government – Clearwater         1,381         1,381           Provincial Government – British Colombia Minister of Finance         363         363		29	6					296
Northern Rockies         288           Municipal Government – Saddle Hills         305           Municipal Government – Camrose No 22         258           Municipal Government – Barrhead         131           Municipal Government – Lacombe         94           Municipal Government – Wetaskiwin No 10         144           Municipal Government – Clearwater         1,381           Provincial Government – British Colombia Minister of Finance         363		30	0					300
Saddle Hills       305         Municipal Government – Camrose No 22       258         Municipal Government – Barrhead       131         Municipal Government – Lacombe       94         Municipal Government – Wetaskiwin No 10       144         Wetaskiwin No 10       144         Municipal Government – Clearwater       1,381         Clearwater for original Government – British Colombia Minister of Finance       363         Finance       363		28	8					288
Camrose No 22       258       258         Municipal Government – Barrhead       131       131         Municipal Government – Lacombe       94       94         Municipal Government – Wetaskiwin No 10       144       144         Municipal Government – Clearwater       1,381       1,381         Provincial Government – British Colombia Minister of Finance       363       363		30	5					305
Barrhead         131         131           Municipal Government – Lacombe         94         94           Municipal Government – Wetaskiwin No 10         144         144           Municipal Government – Clearwater         1,381         1,381           Provincial Government – British Colombia Minister of Finance         363         363		25	8					258
Lacombe       94       94         Municipal Government –       Vetaskiwin No 10       144         Wetaskiwin No 10       144       144         Municipal Government –       1,381       1,381         Clearwater       1,381       1,381         Provincial Government –       British Colombia Minister of       363       363		13	1					131
Wetaskiwin No 10         144         144           Municipal Government –         1,381         1,381           Clearwater         1,381         1,381           Provincial Government –         8ritish Colombia Minister of Finance         363         363		9	4					94
Clearwater         1,381         1,381           Provincial Government –         British Colombia Minister of           Finance         363         363	Wetaskiwin No 10	14	4					144
Finance         363         363	Clearwater	1,38	1					1,381
Total 9,291 14,046 6,238 29,575		36	3					363
	Total	9,29	1 14,046			6,238		29,575

# Canada (GBP 000's)

# Payments/(Refunds)

Projects	Production entitlements T	Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Entity Level	3	3,345						3,345
Foothills Operating Area		127	2,874			672		3,673
Hanlan Robb Operating Area	2	2,198	3,378			706		6,282
North Operating Area*	2	2,304	4,605			410		7,319
South Operating Area Peace River Arch		62	938			3,264		4,264
Operating Area		1,255	2,251			1,186		4,692
Total	9	9,291	14,046			6,238		29,575

# Trinidad (GBP 000's)

Governments	Production entitlements	Taxes	Royalties	Dividends	Bonuses	Fees	Infrastructure improvements	TOTAL
Ministry of Finance and the								
Economy						851		851
Total						851		851

	Production						Infrastructure	
Projects	entitlements	Taxes	Royalties	Dividends	Bonuses	Fees	improvements	TOTAL
Block 22						155		155
NCMA-4						696		696
Total						851		851