centrica

Centrica plc preliminary results

For the year ended 31 December 2024

Investor presentation
Centrica will hold its 2024 Preliminary Results presentation for analysts and institutional investors at 9.30am (UK) on Thursday 20 February 2025. There will be a live webcast of the presentation.

Please register to view the webcast at:
https://webcasts.centrica.com/results/2024-preliminary-results

You may also listen to the presentation via conference call. To register for this call and to receive a unique caller reference number, please visit:
https://webcasts.centrica.com/results/2024-preliminary-results/vip_connect

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Unless otherwise stated, all references to the Company shall mean Centrica plc, and references to the Group shall mean Centrica plc and all of its subsidiary undertakings and equity-accounted associate/joint venture undertakings. This announcement does not offer investment advice, and does contain forward-looking statements. The Disclaimer relating to the Preliminary results is included on page 88.

Published 7am on 20 February 2025.

CREATING VALUE THROUGH THE ENERGY TRANSITION

- Strong financial result against a more normalised backdrop.
- Continued focus on operational performance and commercial innovation to underpin growth.
- £2bn of our £4bn investment programme committed, delivering attractive returns.
- 2024 full year dividend per share increased by 13% to 4.5p, in line with progressive dividend policy.
- Pathway towards £1.6bn adjusted EBITDA(i) by end of 2028 supports 2025 dividend per share increase to 5.5p; commitment to reach 2x earnings coverage by 2028.
- Additional £500m share buyback extension announced today, taking total programme to £2.0bn.

"2024 was a good year for Centrica as we made further operational improvements and ramped up our investment programme. This has resulted in happier customers and more innovative propositions, but there is so much more we can do.

Looking ahead, I want to see Centrica continue to focus on the areas that make the biggest difference. We are investing in the energy transition, ensuring our customers have the energy they need, when they need it at a price they can afford. Everything we do must deliver an appropriate return, and our investments during 2024 demonstrate our ability to invest responsibly and profitably.

Centrica has been transformed in recent years, and most of our businesses delivered against our medium-term expectations two years ahead of schedule. We now have greater resilience and financial flexibility supporting the capital returns, dividend increases and new investments in Ireland announced today. Our confidence in the future is as strong as it's been for a long time and I look forward to continuing to deliver for our colleagues, our customers and our shareholders."

Chris O'Shea, Group Chief Executive

FINANCIAL HIGHLIGHTS

Year ended 31 December	2024	2023		2024	2023
Adjusted measures (ii)			**Statutory measures**		
EBITDA (i)	**£2,305m**	£3,500m			
Operating profit	**£1,552m**	£2,752m	Operating profit	**£1,703m**	£6,512m
Basic earnings per share (EPS)	**19.0p**	33.4p	Basic earnings per share (EPS)	**25.7p**	70.6p
Free cash flow	**£989m**	£2,207m	Net operating cash flow	**£1,149m**	£2,752m
Capital expenditure (iii)	**£(564)m**	£(415)m	Net cash from investing activities	**£493m**	£115m
Net cash	**£2,858m**	£2,744m	Full year dividend per share	**4.5p**	4.0p

(i) Adjusted EBITDA including Centrica's share of EBITDA from joint ventures and associates. This measure provides a clear view of the operating performance of the business before non-cash accounting adjustments such as depreciation, becoming increasingly relevant as we deploy capital through our investment programme.

(ii) Adjusted performance measures are non-IFRS, corresponding IFRS measures are also shown to facilitate comparison. See notes 2, 5, 9, 10 and 11 to the Financial Statements and pages 83 to 87 for an explanation of the use of adjusted performance measures.

(iii) Capital expenditure (including small acquisitions). See pages 20 to 21 for more detail.

- Adjusted EBITDA(i) of £2.3bn (2023: £3.5bn) with full year adjusted operating profit (AOP) of £1.6bn (2023: £2.8bn):
  - Our Retail and Optimisation businesses delivered £0.8bn (2023: £1.7bn) of operating profit, in line with the mid-point of our earnings guidance(iv).
  - Retail AOP of £0.4bn (2023: £0.8bn), with improved British Gas Services & Solutions and Bord Gáis Energy performance, and a strong result in British Gas Energy with no repeat of one-off cost recoveries seen in 2023.
  - Optimisation AOP of £0.4bn (2023: £0.9bn) reflecting lower commodity prices and volatility.
  - Infrastructure AOP of £0.8bn (2023: £1.1bn) underpinned by our hedging strategy, although lower seasonal gas price spreads materially reduced profitability from Centrica Energy Storage+ (CES+).
- Adjusted basic EPS for the full year of 19.0p (2023: 33.4p).
- Statutory operating profit of £1.7bn (2023: £6.5bn) includes the impact of the unwind of unrealised hedges from 2023; statutory basic EPS decreased to 25.7p (2023: 70.6p).

- Free cash flow of £1.0bn (2023: £2.2bn) includes increased capital expenditure(iii) of £0.6bn (2023: £0.4bn) as we continue to focus on investing for value aligned to the changing energy system.
- Statutory net operating cash flow of £1.1bn (2023: £2.8bn) includes £0.1bn of margin cash and collateral inflow (2023: £0.6bn). Closing 2024 margin cash posted of £0.1bn (2023: £0.2bn).
- £1.0bn of corporation tax and other payments to governments in the year.
- Strong liquidity and balance sheet, with closing adjusted net cash of £2.9bn (2023: £2.7bn).
- £0.7bn cash returned to shareholders in 2024 (2023: £0.8bn) through £0.5bn (2023: £0.6bn) share buybacks and £0.2bn (2023: £0.2bn) dividend payments.
- 2024 full year dividend per share up by 13% to 4.5p, in line with our progressive dividend policy.

STRATEGIC HIGHLIGHTS

Continued delivery on our core drivers of operational excellence, commercial focus and investing for value, with strong progress in all areas.

- Customer satisfaction improvements across Retail with reduced complaints and higher Net Promoter Scores ("NPS") compared to 2023. Focus remains on growing our customer base, which remained broadly flat over the year.
- Unique nationwide same day engineer repair visit offering in British Gas Services & Solutions, enabled by our stronger operations and new planning and dispatch system.
- Meter Asset Provider (MAP) ramp-up progressing strongly, with ~450,000 Centrica smart meters installed in 2024 and expected low-risk IRR of at least 9%.
- Continuing to support UK and Irish energy security and decarbonisation:
  - Life extensions announced for UK nuclear stations - Heysham 1 and Hartlepool through to March 2027 and Heysham 2 and Torness through to March 2030.
  - 2x 100MW Irish flexible power generation plants to be commissioned in the second half of 2025, and in January 2025 we secured a capacity market contract to develop a new 334MW station.
- Updated climate transition plan launched January 2025, bringing forward the target to be a net zero business by five years to 2040.

OUTLOOK

- 2025 outlook is unchanged. Consistent with our December trading statement, it is expected that:
  - All Retail Energy Supply and Optimisation businesses will be within their medium-term sustainable adjusted operating profit ranges(iv) for 2025.
  - British Gas Services & Solutions will deliver a further improved financial result compared with 2024, as it continues recovery towards its medium-term sustainable adjusted operating profit range by 2026(iv).
  - 2025 Infrastructure adjusted EBITDA(i) of £0.65bn-£0.85bn, equivalent to adjusted operating profit of £0.25bn-£0.4bn, subject to asset performance and commodity prices. This includes an expected adjusted operating loss in the range of £50m-£100m for Centrica Energy Storage+.
  - The usual uncertainties remain, including weather, commodity prices, regulation and government policy. This results in a range of possible outcomes for the full year.
- Outlook demonstrates a pathway towards £1.6bn run-rate of EBITDA(i) by the end of 2028, with 85% from activities underway today.
- Intention to increase 2025 dividend per share to 5.5p; commitment to reach 2x earnings coverage by 2028, in line with our progressive dividend policy. Additional £500m share buyback extension announced today, taking the total programme to £2.0bn, to be completed by around the end of 2025, depending on market conditions.
- Further details on our Infrastructure hedging positions are provided on pages 14 and 15.

(iv) Medium-term sustainable adjusted operating profit ranges: British Gas Residential energy supply £150m-£250m, British Gas Services & Solutions £100m-£200m, Centrica Energy £250m-£350m, Bord Gáis Energy and Business energy supply £100m-£200m.

GROUP OVERVIEW

GROUP PERFORMANCE METRICS

Year ended 31 December	2024	2023	Change
Total recordable injury frequency rate (per 200,000 hours worked)	**0.63**	0.84	(25)%
Total customers ('000) (closing) (i)	**10,183**	10,266	(1)%
Group direct headcount (closing)	**21,017**	21,069	0 %
Group colleague engagement	**8.1**	7.7	0.4pt
Total greenhouse gas emissions (Scope 1 and 2) (tCO_2e) (ii)	**1,733,882**	1,685,840	3 %

(i) Includes British Gas Energy, British Gas Services & Solutions and Bord Gáis Energy households and business customer sites in British Gas Energy and Centrica Business Solutions.

(ii) Comprises scope 1 and scope 2 emissions as defined by the Greenhouse Gas Protocol. 2023 restated due to availability of improved data.

Positioning ourselves for a changing energy system

The energy system continues to evolve, aligned to ambitious decarbonisation targets across most of the countries we operate in. Electricity demand in our core markets is set to materially increase by 2050, driven by the electrification of transport and residential heating, alongside emerging demand from, for example, data centres. The energy system is also becoming more intermittent as it decarbonises, driven by a growing reliance on renewable generation, adding greater complexity to power grids. This all creates a growing need for dispatchable low-carbon baseload power, and flexible generation and storage assets to help fill weather driven gaps in generation. Customers are also looking for more flexibility, increasing demand for innovative tariffs as they look to make the most of their energy usage.

Our integrated portfolio, which operates across the energy value chain, is set up to benefit from these trends today and into the future regardless of the pace of change. To capitalise on these opportunities we have a simple, focused approach to maximise value:

- Drive continuous improvement across the Group, with a relentless focus on operational excellence;
- Innovate to deliver compelling customer propositions and build optionality; and
- Invest for value.

Operational excellence

Operational performance has continued to improve throughout 2024, giving us confidence that enhancements have been embedded in our business.

Colleague engagement of 8.1 is in the top quartile for the industry and is underpinned by a continued focus on safety and our redefined purpose, 'Energising a greener, fairer future', which was launched in February 2024.

Engaged colleagues are delivering stronger operational metrics and better customer experiences across Retail. We have seen a near-record British Gas Energy NPS of 29, with targeted customer service improvements reducing complaints and the migration of customers onto our new, more flexible Ignition platform, which is largely complete. We have retained our 4 star Trustpilot score, while we were awarded the Uswitch Energy Awards Best Overall Improvement award.

In British Gas Services & Solutions our unique nationwide same day engineer repair visit offering went live in October 2024, with strong operational delivery across the winter period and we continue to see the value customers place on our engineers with Engineer NPS of 73 (2023: 71).

Commercial focus

We are innovating to deliver compelling customer propositions and building optimisation optionality, focused around improving customer acquisitions and retention. To help with delivery in these areas, we have established a new Chief Customer Office to focus on maximising commercial value across the portfolio.

In British Gas Services & Solutions, protection contract sales were up 24% year-on-year. Whilst overall customer numbers fell slightly, the rate of decline in customers is improving compared to the historic trend, supported by a 4ppt increase in annualised customer retention. We also continue to see strong growth in the on-demand market, with sales up 39% in 2024 versus 2023, with significant future opportunities still to capture in this area.

We have added to our innovative time-based tariffs with propositions such as British Gas Electric Vehicle, alongside our popular 'PeakSave' offer. Additionally, we continue to build the home energy ecosystem of the future, powered by our Hive Honeycomb technology platform, launching Hive Solar and Hive Heat Pumps propositions during the year, offering a one-stop shop for installation and energy management.

With our stronger operations supporting better customer experiences and giving us greater confidence to roll-out new customer propositions, we are making good progress. However, our focus remains on growing our customer base, which remained broadly flat over the year.

In Centrica Energy, we have further built optimisation optionality through the signing of the Coterra Sales and Purchase Agreement, where Coterra will supply 100,000 MMbtu/d of natural gas, equivalent to around 9 LNG cargoes, linked to European gas prices and commencing in 2028. This deal, alongside the Petrobras deal announced today, demonstrates our approach in building valued partnerships through physical gas transactions which generate a margin in their own right, while allowing us to de-risk our LNG portfolio and retain physical optionality around cargoes to further generate value.

Invest for value

We have progressed our green-focused investment programme, investing across customer technology and flexible and renewable power assets, although the pace of capital deployment in 2024 was slower than we hoped.

We will remain disciplined with our investments, focused firstly on delivering attractive returns in excess of our cost of capital over simply pursuing scale. We have a significant opportunity set under consideration, and will only progress the most attractive projects through our rigorous investment review process.

In 2024 we completed the acquisition of ENSEK, the company which powers our Ignition customer platform in British Gas Energy. This acquisition delivers value in its own right with an attractive double digit return, and unlocks future commercial optionality.

We have also installed nearly 450,000 Centrica-owned smart meters, despite only becoming the sole funding MAP for British Gas in October 2024. This investment equates to a low-risk nominal post-tax unlevered return of at least 9%, with limited on-going capital requirements once a meter is installed, providing optionality for the Group.

Our two 100MW flexible hydrogen-ready peaking plants in Ireland remain on track for commissioning in 2025, with total investment of around €350m, of which our share is ~80%. In January 2025 it was announced that we are further growing our presence in the Irish power market, supporting Ireland's transition to renewable energy through reliable backup generation capacity, securing a 10-year capacity market contract to deliver a third, 334MW flexible peaking plant located in Galway at €56m per annum. In addition, our 445MW CCGT Whitegate station was awarded a 5-year capacity contract at €50m per annum from 2028, ensuring continued operations at the site and underpinning our economic return through to 2033.

In December we announced life extensions for four of the UK's nuclear stations, in which we hold a 20% share. Heysham 1 and Hartlepool are now expected to generate electricity until March 2027, one year later than previously expected, and Heysham 2 and Torness are now expected to generate until March 2030, two years later than previously expected. These extensions are expected to add around 9TWh to the Company’s generation volumes between 2026 and 2030.

We also continue to build a portfolio of long-term growth options, aligned to net zero which would create thousands of skilled jobs and support energy security in both the UK and Ireland.

In June 2024 we announced a phased £70m investment and strategic partnership with Highview Power, focused on developing the first commercial-scale Liquid Air Energy Storage ("LAES") plant in the UK. This is an attractive investment on a standalone basis and, in addition we have secured rights to equity participation and energy optimisation from Highview's project pipeline.

We retain the option to invest ~£2bn to transform Rough into one of the world's biggest methane and hydrogen storage facilities, while in Spirit Energy we continue to examine options for carbon capture and storage at Morecambe. In 2023, we were granted a carbon storage licence and signed a memorandum of understanding with the Peak Cluster to explore carbon storage for major cement and lime plants located in the Peak District.

Both the project at Rough, which could store up to 200bcf of hydrogen, and the carbon capture and storage opportunity at Morecambe remain contingent on suitable regulatory models being established, and we will continue to work with the UK Government to demonstrate the value of these assets in a net zero future and to progress these projects.

Sustainable profitability, balance sheet resilience and compelling shareholder returns

Our financial framework was refreshed in July 2023 and is unchanged. We focus on maximising sustainable earnings, maintaining a strong balance sheet, delivering a progressive dividend, investing for value and returning surplus capital to our shareholders.

Our balance sheet is strong, underpinning our decommissioning obligations and reducing pension deficit, and providing opportunities to capture value across the existing portfolio, fund the remainder of our £4bn investment programme and deliver ongoing shareholder distributions.

We expect to continue delivering around the £800m range of sustainable adjusted operating profit, or around £1bn of adjusted EBITDA[i], on average, each year from Retail and Optimisation by 2026, with additional cash flows from Infrastructure and our new investments over the medium-term.

Based on our operational improvements and more resilient balance sheet outlook, we can therefore see a pathway for the Group to deliver run-rate adjusted EBITDA[i] of around £1.6bn by the end of 2028. This consists of £1bn from existing Retail and Optimisation activities, up to £0.2bn from the investment in the MAP business and Irish peakers, around £0.2bn from existing infrastructure, mainly Spirit and the existing nuclear business, and around £0.2bn from new projects based on our targeted return ranges. Of this, around 85% is from either activities generating earnings today or projects already underway.

Based on this scenario, and taking into account our credit rating thresholds, we see a net debt capacity for the balance sheet of up to around £1.6bn by the end of 2028, against which we maintain a reserve of around £1bn to ensure we can the run the business efficiently, continue to grow, take advantage of opportunities when they arise and return capital to shareholders, while protecting against risks.

We remain committed to our progressive dividend policy and expect that dividend cover will move to around 2x by 2028. We are proposing a 2024 final dividend of 3.0p per share, taking the full year dividend to 4.5p from 4.0p per share in 2023, with an intent to raise the 2025 dividend per share by a further 22% to 5.5p.

Remaining capital headroom supports a further £0.5bn extension to the share buyback programme, to be completed by around the end of 2025, depending on market conditions. This takes the total programme to £2.0bn since November 2022.

Beyond this we see potential additional capital headroom being generated through to the end of 2028. Any additional distributions will be reviewed against our investment opportunity set, our rigorous capital allocation framework and the future outlook.

(i) Adjusted EBITDA including Centrica's share of EBITDA from joint ventures and associates

ENGAGING IN REGULATORY CHANGES

A changing energy market requires regulation that continues to be fit for purpose for all stakeholders, giving full confidence in the robustness of the market and encouraging investment in the future.

In the UK, the Government is currently undertaking a review of Ofgem and the regulatory framework. This will be an opportunity to develop a regulatory framework that is consistent with the government's growth ambitions, and the level of investment required to meet Clean Power 2030. We are advocating for regulation that is predictable, and that will deliver a stable framework for investment into the long term.

From a policy perspective, the UK Government's Review of Electricity Market Arrangements (REMA) is continuing, which is considering splitting the GB-wide wholesale price into smaller zones. We are advocating for an "enhanced national" GB electricity market, which will provide the revenue certainty required for investment in electricity generation and storage assets. Many of the future investment opportunities Centrica is considering will also be facilitated by bespoke government and regulatory frameworks. We are continuing to engage on the design of these frameworks with the government and Ofgem, emphasising the need for stability of returns over the lifetime of investment projects if we are to invest.

We are continuing to advocate for positive changes for customers such as the introduction of a social tariff, the removal of regional price variations and the scrapping of standing charges for customers on the price cap in the UK. We also firmly support the government's initiative to introduce effective data sharing, which will help suppliers to better target available support. We have already seen the introduction of new financial resilience requirements by Ofgem which will promote the stability of the retail market, and we are supportive of new capital requirements which will come into force from 1 April 2025.

In Ireland we are engaging with policy makers and regulators on key market developments, aimed at delivering the energy transition. We welcome renewed focus in the recent Programme for Government on investment in infrastructure and the commitment to accelerate energy generation connectivity and planning processes. In 2024 we welcomed the first auction for intermediate length capacity contracts, supporting necessary investment to maintain existing generation plant.

We are supporting the roll out of the National Energy Demand strategy which aims to empower customers to participate in the transition and manage their energy usage. Key to this will be access to data and we are advocating for the early implementation of the Smart Data Access Code. We note that the Programme for Government has pledged to change the mandate of the Commission for Regulation of Utilities to enhance the focus on customer affordability.

Across Europe, we advocate for regulatory regimes that promote liquid and efficient energy markets, particularly across the jurisdictions in which Centrica Energy is active. We actively advocate for improvements to cross-border trading arrangements across European forward markets, that improve the stability and predictability of the regimes in which we operate. As an example, we are advocating for transmission rights to be available for extended periods and for the maximum capacity to be accessible on each national border from the European Commission's upcoming proposals for forward market rules in 2026.

STRONG FINANCIAL DELIVERY

Adjusted operating profit was £1.6bn (2023: £2.8bn), while statutory operating profit was £1.7bn (2023: £6.5bn). The breakdown of operating profit is shown below:

Year ended 31 December (£m)	2024	2023
Retail	**427**	799
British Gas Services & Solutions	67	47
British Gas Energy	297	751
Residential energy supply (i)	*269*	*726*
Business energy supply	*28*	*25*
Bord Gáis Energy	63	1
Optimisation	**380**	878
Centrica Business Solutions	73	104
Energy supply	*108*	*159*
Energy services and assets	*(35)*	*(55)*
Centrica Energy	307	774
Infrastructure	**789**	1,083
Nuclear	353	536
Spirit Energy	434	235
Centrica Energy Storage+	2	312
Colleague profit share and MAP consolidation adjustment (ii)	**(44)**	(8)
Operating profit from business performance (Adjusted)	**1,552**	2,752
Exceptional items and certain re-measurements	151	3,760
Group operating profit (Statutory)	**1,703**	6,512
Basic adjusted earnings per share	**19.0p**	33.4p
Basic statutory earnings per share	**25.7p**	70.6p
Group free cash flow	**989**	2,207

(i) Includes the Meter Asset Provider (MAP) business.
(ii) Colleague profit share of £(25)m (2023: £(8)m) and a consolidation adjustment of £(19)m (2023: nil), relating to the MAP.

In total, Retail and Optimisation generated adjusted operating profit of £0.8bn (2023: £1.7bn), in line with the combined medium-term guidance range. Within this, Retail profit was lower in 2024 than in 2023, largely reflecting no recurrence of the one-off cost recovery through the regulatory price cap mechanism in British Gas Energy in 2023, partially offset by improved performances in both British Gas Services & Solutions and Bord Gáis Energy. In Optimisation, Centrica Energy delivered a resilient performance with operating profit above the midpoint of its medium-term range, although profit was lower year-on-year mainly reflecting reduced commodity prices and volatility. Lower Infrastructure profit was largely driven by lower seasonal gas price spreads for Centrica Energy Storage+ and lower achieved prices in Nuclear offset by increased profits in Spirit Energy.

Reflecting the above and a reduced share count due to share buybacks over the year, adjusted basic EPS was 19.0p (2023: 33.4p). Statutory EPS was 25.7p (2023: 70.6p).

Free cash flow (FCF) was £1.0bn (2023: £2.2bn), reflecting lower operating profit and including a net working capital inflow of £0.1bn (2023: £0.2bn). Within this, there was a £0.3bn working capital inflow in Centrica Energy driven by profit on prior year derivative cash positions settled during 2024, a £0.1bn working capital inflow in Centrica Energy Storage+ relating to higher withdrawals and a lower injection price, partially offset by a £0.5bn outflow in British Gas Energy related to the impact of falling commodity prices. Also within FCF, we paid £0.6bn (2023: £0.8bn) of corporation tax, which excludes the impact of the Electricity Generator Levy which is included within operating profit, while capital expenditure increased to £0.6bn (2023: £0.4bn), as we build momentum in our green-focused investment plan. Statutory net cash flow from operating activities was £1.1bn (2023: £2.8bn), including

£0.1bn of margin cash and collateral inflow (2023: £0.6bn). Margin cash posted at the end of 2024 was £0.1bn (2023: £0.2bn).

Net interest was a cash inflow of £34m (2023: £19m outflow), with higher interest rates resulting in higher interest income given our net cash position. We returned £0.7bn to shareholders in the year (2023: £0.8bn) through £0.5bn (2023: £0.6bn) share buybacks and £0.2bn (2023: £0.2bn) dividend payments.

Reflecting these movements, the Group had closing adjusted net cash of £2.9bn (2023: £2.7bn).

The use of adjusted measures, which are non-IFRS, provides additional useful information on business performance and underlying trends. For more information see note 2(a).

For more detail on the Group's 2024 financial performance, please see the Group Financial Review on pages 16 to 23.

RETAIL

In Retail, customer service metrics continue to improve aligned to our focus on operational excellence, including lower complaints and improving NPS across our businesses. Total Retail adjusted operating profit decreased to £427m (2023: £799m) with improved results for both British Gas Services & Solutions and Bord Gáis Energy, and a strong underlying result in British Gas Energy, with no repeat of the one-off prior period cost recoveries during 2023.

British Gas Services & Solutions

Year ended 31 December	**2024**	2023	Change
Operational			
Services & Solutions customers ('000) (closing) [(i)]	**2,899**	2,950	(2)%
On-demand jobs ('000) [(ii)]	**304**	218	39%
Boiler installs ('000)	**81**	95	(15)%
Services complaints per customer (%) [(iii)]	**5.3%**	6.0%	(12)%
Services Engineer NPS [(iv)]	**73**	71	2pt
Financial			
Adjusted EBITDA (£m)	**110**	101	9%
Adjusted operating profit (£m)	**67**	47	43%
Adjusted operating profit margin (%)	**4.3%**	2.9%	48%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Services & Solutions customers are defined as single households having a contract or an on-demand job with British Gas Services & Solutions.

(ii) On-demand jobs are defined as Services & Repair one-off on-demand repairs, home improvements and maintenance.

(iii) Total complaints, where we identify material distress, inconvenience or financial loss, as a percentage of average customers over the year.

(iv) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following a gas engineer visit.

Operational Performance

In British Gas Services & Solutions we have continued to embed strong operational performance, driving improvements in customer satisfaction and strengthening our platform for growth.

Reschedule rates remain low at 4% (2023: 3%), helping to underpin improvements in customer satisfaction, with engineer NPS of 73 rising 2pt and complaints per customer falling by 12% to 5.3%. This has given us the confidence to launch innovative customer offers, such as our nationwide Service Promise, offering a same day engineer repair visit for contract and on-demand customers who contact us by 11am.

Customer numbers were 2% lower in 2024, and remain a key focus area, although the rate of decline has improved versus historical trends, with annualised Services contract customer retention of 86%, up from 82% at the end of 2023. We are making good progress growing in the on-demand market, which represents a substantial opportunity, with jobs increasing by 39% year-on-year to 304,000.

Despite maintaining market share, boiler installs fell in what is currently a challenging market reflecting continuing cost of living pressures for households.

Financial Performance

Adjusted operating profit was £67m (2023: £47m), reflecting our focus on increasing customer value, despite slightly lower customer numbers, with strong operational efficiency and cost control, alongside growth in on-demand and Smart jobs. This was partially offset by lower boiler installations and continued investment in Net Zero. Depreciation and impairments were £11m lower in 2024, with extensions to the lives of vehicles in Q4 2023 and impairments in 2023 (2024: £nil, 2023: £9m) .

British Gas Energy

Year ended 31 December	2024	2023	Change
Operational			
Residential energy customers ('000) (closing) (i)	**7,460**	7,529	(1)%
Small business customer sites ('000) (closing)	**557**	552	1%
Residential energy complaints per customer (%) (ii)	**10.1%**	13.3%	(24)%
Residential energy Touchpoint NPS (iii)	**29**	17	12pt
Financial			
Cost per residential energy customer (excl. bad debt) (£)	**95**	91	4%
Adjusted EBITDA (£m)	**339**	808	(58)%
Adjusted operating profit (£m)	**297**	751	(60)%
Adjusted operating profit margin (%)	**2.5%**	4.2%	(40)%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Residential energy customers are defined as single households buying energy from British Gas.

(ii) Total complaints, measured as an expression of dissatisfaction in line with submissions made to Ofgem, as a percentage of average customers over the year.

(iii) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas Energy following contact.

Operational Performance

In British Gas Energy, we continue to invest in strengthening our operational foundations to drive innovation, retention and better customer outcomes in order to underpin long-term profitability in a changing competitor landscape.

Customer migration to our new, more flexible, Ignition platform is now largely complete. This has helped contribute to materially higher levels of customer satisfaction. NPS of 29 was a near-record, 12 points higher compared to 2023 and more than double the level two years ago, and coupled with a 24% reduction in complaints per customer to 10.1%. We will complete our customer migration to the new platform in 2025. Complaints per 100,000 customers were lower than Ovo, Octopus and EDF for the latest six month period(iv).

Residential energy customer numbers declined slightly in 2024. While price competition has started to increase, customers are also focused on service quality and product innovation. These are areas in which we are investing, including our brand perception. Having been recognised earlier in the year for "Best Overall Improvement" in the Uswitch Energy Awards, growing external recognition, backed by delivery, will be crucial in driving improved customer acquisitions and retention moving forward.

(iv) Latest Ofgem data: Complaints received by large suppliers per 100,000 customer accounts.

Financial Performance

Reflecting our investment in customer service, innovation and brand, annualised cost per residential energy customer (excluding bad debt) increased to £95 from £91 in 2023. Within this, dual running costs from system migration reduced by £2 to £9.

Adjusted operating profit was £297m (2023: £751m). This reflects a non-repeat of the cost recoveries seen in 2023 of approximately £500m, which was largely associated with unanticipated Standard Variable Tariff demand in 2022, decreased procurement optimisation opportunities due to lower commodity prices and associated volatility, and lower unit margins. This was partially offset by a lower bad debt charge of £352m (2023: £541m), with bad debt as a percentage of customer revenue falling to 2.3% (2023: 3.1%) and 6.1% (2023: 8.0%) for residential and small business respectively, supported by a more stable macroeconomic environment alongside lower prices, and internal initiatives focusing on bad debt.

The Meter Asset Provider (MAP) business, currently included within the British Gas Energy segment, was break-even for the year, as the business continues to build scale, with a portfolio of smart meters under management of around 450,000 by the end of 2024. Included within Group adjusted operating profit is a consolidation adjustment of £(19)m (2023: nil) relating to work carried out by British Gas Services & Solutions on behalf of the MAP.

Bord Gáis Energy

Year ended 31 December	2024	2023	Change
Operational			
Customers ('000) (closing)	**514**	503	2%
Complaints per customer (%) (i)	**0.9%**	1.7%	(47)%
Journey NPS (ii)	**36**	18	18pt
Financial			
Adjusted EBITDA (£m)	**79**	21	276%
Adjusted operating profit (£m)	**63**	1	6,200%
Adjusted operating profit margin (%)	**5.0%**	0.1%	4,900%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.
(i) Total complaints, measured as any oral or written expression of dissatisfaction, as a percentage of average customers over the year.
(ii) Weighted NPS for the main customer interaction channels.

Operational Performance

In Bord Gáis Energy we remain focused on creating value from our integrated model, supporting our customers and investing in the future energy system to help underpin energy security and decarbonisation in Ireland.

Our continued focus on customer service delivery helped to almost halve the number of complaints per customer from 1.7% in 2023 to 0.9%, and to double our NPS customer satisfaction score to 36. Customer numbers grew by 2% in 2024 in a highly competitive market, recovering losses recorded in the second half of 2023.

In November 2024, Bord Gáis Energy announced the acquisition of Swyft Energy, with the acquisition completing in January 2025. Swyft Energy is a leading solar PV installer in Ireland and the acquisition represents an important step in our transition to a green energy business.

Construction continues on our two hydrogen-ready 100MW flexible natural gas peaking plants in Athlone and Dublin, with the projects on-track for commissioning in the second half of 2025. With a total investment of approximately €350m (Centrica share ~80%), these plants will help deliver security of supply while facilitating Ireland's transition to renewable energy.

In January 2025, Bord Gáis Energy secured a 10-year capacity market contract of €56m p.a., to be fulfilled through an Open Cycle Gas Turbine with 334MW of electrical generation capacity. This agile power unit can be brought in and out of service rapidly, complementing intermittent renewable generation and further supporting the energy transition. The technology envisaged will also be able to run on 100% biomethane or, alternatively, operate on a blend of hydrogen from the gas network.

In addition, in Ireland's latest electricity capacity auction, we were awarded a five-year Intermediate Length Contract for our 445MW Combined Cycle Gas Turbine power station at Whitegate from October 2028 of €50m per annum. This will ensure that a reliable efficient plant is available to the market up to 2033, delivering security of supply for the energy transition and underpinning our economic return.

Bord Gáis Energy continues to progress opportunities for decarbonisation, using disruptive innovation, in collaboration with strategic partners. These include hydrogen storage with dCarbon X and ESB, ammonia as a renewable fuel source with Mitsubishi Power Europe and offshore wind with Corio Generation.

Financial Performance

Adjusted operating profit recovered to £63m (2023: £1m), as the Irish energy market moved towards a more normalised operating environment. These conditions allowed us to begin to return supply margins towards more sustainable levels, while allowing us to pass on price reductions to customers in a highly competitive market. In trading and generation, Whitegate delivered strong reliability and availability, helping to mitigate reduced optimisation opportunities as a result of lower market volatility

OPTIMISATION

In Optimisation, we continue to develop and leverage our international physical positions and world-class capabilities. Adjusted operating profit remained strong at £380m (2023: £878m), although was lower compared to 2023 against a backdrop of lower volatility and prices in commodity markets.

Centrica Business Solutions (CBS)

Year ended 31 December	**2024**	2023	Change
Operational			
Energy supply total gas and electricity volume (TWh)	**16.1**	20.7	(22)%
Energy supply complaints per site (%) (i)	**2.4%**	3.0%	(20)%
Energy supply Touchpoint NPS (ii)	**37**	25	12pt
Services order intake (£m) (iii)	**231**	225	3%
Net investment (£m) (iv)	**160**	114	40%
Financial			
Adjusted EBITDA (£m)	**97**	141	(31)%
Adjusted operating profit (£m)	**73**	104	(30)%
Adjusted operating profit margin (%)	**2.9%**	3.0%	(3)%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Total complaints, measured as any oral or written expression of dissatisfaction, as a percentage of total sites over the year. 2023 restated to reflect the change in methodology to use sites rather than customers..

(ii) Measured independently, through individual questionnaires and the customer's willingness to recommend, on a year-to-date basis. 2023 restated to reflect the change in methodology to using year-to-date data.

(iii) Total lifetime revenue forecasted from customer contracts signed in year.

(iv) Net investment is capital expenditure (including small acquisitions), less inflows from disposals.

Operational Performance

In CBS we continue to focus on strengthening our customer service and propositions in business energy supply, while building a portfolio of flexible, green-focused assets.

We continued our move away from supplying energy to the lower margin, large-scale Commercial and Industrial sector, resulting in total volumes falling 22% year-on-year. However, within this, volumes supplied to medium sized enterprises grew 5% to 12.2TWh (2023: 11.6TWh).

Complaints per site improved significantly in the period, falling by 20% to 2.4% with commodity prices easing and our continued focus on customer service delivery. This also contributed to an improved NPS score of 37, up 12pts.

As expected, Services order intake recovered in the second half of 2024, with full year Services order intake growing 3% compared to 2023, and the highest since 2021, with a strong near-term pipeline of work.

CBS net investment was £160m (2023: £114m) as we continue to deploy capital for value into a range of solar, battery and gas-peaking investments. We now have around 480MW of assets in detailed planning or delivery in the UK and Continental Europe, with total operational capacity of 194MW. Also included within net investment is a £28m investment in Highview Power, as part of a £70m phased investment programme, and the associated Liquid Air Energy Storage project at Carrington, as part of our strategic partnership focused on commercialising new long duration energy storage technology.

Financial Performance
Adjusted operating profit decreased to £73m (2023: £104m), reflecting no repeat of strong commodity procurement performance seen in 2023 in more volatile markets partially offset by additional margin from SME customer growth. Within this, business energy supply operating profit was £108m (2023: £159m), while Services and Assets posted a slightly improved operating loss of £35m (2023: £55m loss).

Centrica Energy

Year ended 31 December	2024	2023	Change
Operational			
Renewable and flexible capacity under management (GW) [(i)]	**16.7**	16.3	2%
Financial			
Adjusted EBITDA (£m)	**346**	822	(58)%
Adjusted operating profit (£m)	**307**	774	(60)%
Adjusted operating profit margin (%)	**5.0%**	10.0%	(50)%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.
(i) Including assets that have signed contracts but are not yet operational.

Operational Performance
Centrica Energy is our world-class asset-backed trading and logistics business. We continue to build our diverse portfolio of physical contracted positions, while leveraging our differentiated risk management and optimisation capabilities to add further value across the Group.

Renewable and flexible capacity under management was 16.7GW, increasing by 2% year-on-year, driven by the addition of assets in the Baltics and Italy, where we have signed new wind and solar assets, partially offset by short-term contracts rolling off elsewhere.

We have also stepped up the hedging profile of our Sabine Pass LNG offtake to protect against future declines in gas prices and create a base margin around which we can optimise. This includes new long-term natural gas deals, such as our agreement with Coterra, which is linked to European gas prices such as TTF and NBP and commences in 2028, and Petrobras. As a result, we are now almost 100% hedged until the end of 2026, with over 50% through to the end of the decade.

Financial Performance
Centrica Energy delivered a resilient 2024 performance in a more normalised operating environment. Adjusted operating profit was £307m (2023: £774m), slightly above the midpoint of the medium-term operating profit range, but lower than 2023 reflecting reduced market volatility which impacted our gas and power trading and route-to-market businesses. LNG profitability remained broadly flat, benefitting from tailwinds from previous years and the in-built flexibility and optionality in the portfolio. We also saw benefit in 2024 from the timing of costs when compared with previous years, and a small £1m profit from our Sole Pit legacy gas contract (2023: £35m loss) driven by optimisation of the contract in the second half of 2024. At current forward prices we expect a loss of around £3m through to September 2025, when the contracts ends.

INFRASTRUCTURE

Our Infrastructure businesses consist of our 20% investment in the UK's existing nuclear fleet, our 69% ownership in Spirit Energy, and Centrica Energy Storage+, the operator of the UK's largest gas storage facility, Rough. Total Infrastructure adjusted operating profit fell to £789m (2023: £1,083m).

Nuclear

Year ended 31 December	2024	2023	Change
Operational			
Nuclear power generated (TWh)	**7.5**	7.5	nm
Financial			
Nuclear achieved power price (£/MWh)	**132**	176	(25)%
Adjusted EBITDA (£m) (i)	**610**	742	(18)%
Adjusted operating profit (£m)	**353**	536	(34)%
Nuclear dividends received	**355**	220	61 %

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Includes Centrica's share of associate EBITDA of £513m (2023: £415m).

Operational Performance

Centrica's share of Nuclear generation volumes were in-line with 2023 despite extended outages in the first half of 2024 across Heysham 1 and Hartlepool, due to good reliability across the second half, and fewer planned outages across the portfolio.

Financial Performance

Nuclear adjusted operating profit was £353m (2023: £536m), driven predominantly by lower achieved prices net of associated impacts from the Electricity Generator Levy and tax. Dividends of £355m (2023: £220m) were received in the year.

Total Electricity Generator Levy included for the year was £166m (2023: £326m), of which £80m (2023: £285m) is included in the Group's cost of sales due to our nuclear hedging activity outside of the associate, with a further £86m (2023: £41m) included in the Group's associate result.

Details of our forward hedging positions for 2025 and 2026 are outlined below:

	2025	2026
Volume hedged (TWh)	**5.5**	**1.8**
Average hedged price (£/MWh)	**89**	**76**
Production volume (i) (TWh)	**~7.0 to 8.0**	

(i) 2025 forecasted production volumes.

Spirit Energy

Year ended 31 December	2024	2023	Change
Operational			
Gas production volumes (mmth)	**747**	832	(10)%
Liquids production volumes (mmboe)	**1.0**	1.0	nm
Total production volumes (mmboe)	**13.3**	14.8	(10)%
Financial			
Average achieved gas sales prices (p/therm)	**132**	101	31%
Average achieved liquid sales prices (£/boe)	**58**	50	16%
Lifting and other cash production costs (£/boe) (i)	**25.3**	25.1	1%
Gas and liquids realisations (£m) (ii)	**1,045**	900	16%
Unit DDA rate (£/boe)	**20.4**	17.4	17%
Adjusted EBITDA (£m)	**707**	506	40%
Adjusted operating profit (£m)	**434**	235	85%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Lifting and other cash production costs are total operating costs and cost of sales excluding depreciation and amortisation, dry hole costs, exploration costs and profit on disposal.

(ii) Realisations are total revenues from sales of gas and liquids including hedging and are net of Spirit national transmission system (NTS) costs.

Operational Performance

Total volumes from Spirit Energy were down 10% due to natural decline in existing fields and production outages at Morecambe which have subsequently been resolved, partially offset by good performance at Greater Markham Area.

Financial Performance

Adjusted operating profit was £434m (2023: £235m), with higher achieved prices, underpinned by our hedging strategy, more than offsetting lower production volumes. The unit DDA rate was higher due to production mix, with a greater proportion of production coming from assets with a higher fixed asset base.

Details of our forward hedging positions for 2025 and 2026 are outlined below:

	2025	2026
Volume hedged (mmths)	**513**	**273**
Average hedged price (p/th)	**111**	**89**
Production volume (i) (mmths)	**~695 to 720**	

(i) 2025 forecasted production volumes.

Centrica Energy Storage+

Year ended 31 December	2024	2023	Change
Operational			
Availability (i)	**95%**	93%	2%
Total volume in reservoir (bcf) (ii)	**40.7**	48.2	(16)%
Financial			
Adjusted EBITDA (£m)	**17**	322	(95)%
Adjusted operating profit (£m)	**2**	312	(99)%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.
(i) Measured as a percentage of demand.
(ii) Includes 14bcf (2023: 15bcf) of indigenous gas.

Operational Performance

Centrica Energy Storage+ delivered high operational reliability from the Rough assets throughout the year. Rough accounts for approximately half of the UK's gas storage capacity, and we retain a third-party use exemption until at least 2030.

Centrica Energy Storage+ is expected to be loss making in 2025 (£50m-£100m). We need a regulatory support mechanism to unlock the £2bn investment to upgrade and redevelop the Rough assets to increase capacity and, ultimately, convert it into a hydrogen-ready storage facility. Constructive discussions with the UK Government are ongoing.

Financial Performance

Centrica Energy Storage+ adjusted operating profit was £2m (2023: £312m), including a second half loss mainly reflecting lower seasonal gas price spreads and reduced volatility.

GROUP FINANCIAL REVIEW

REVENUE

Total Group revenue decreased by 25% to £19,913m (2023: £26,458m). Total Group revenue included in business performance, which includes revenue arising on contracts in scope of IFRS 9, decreased by 26% to £24,636m (2023: £33,374m).

Gross segment revenue, which includes revenue generated from the sale of products and services between segments, decreased by 26% to £26,206m (2023: £35,343m). This was driven largely by the impact of lower commodity prices, lower volatility, and lower seasonal gas price spreads.

A table reconciling the different revenue measures is included in note 5(b) of the accounts.

ADJUSTED EBITDA, OPERATING PROFIT, EARNINGS AND DIVIDEND

Adjusted EBITDA

Year ended 31 December (£m)	2024	2023
Retail	**528**	930
British Gas Services & Solutions	110	101
British Gas Energy	339	808
Bord Gáis Energy	79	21
Optimisation	**443**	963
Centrica Business Solutions	97	141
Centrica Energy	346	822
Infrastructure	**821**	1,155
Nuclear (i)	97	327
Spirit Energy	707	506
Centrica Energy Storage+	17	322
Colleague profit share, consolidation adjustment and other (ii)	–	37
Adjusted EBITDA	**1,792**	3,085
Share of Nuclear associate's EBITDA	513	415
Adjusted EBITDA including share of EBITDA from joint ventures and associates	**2,305**	3,500

(i) Excludes Centrica's share of associate EBITDA of £513m (2023: £415m).
(ii) Includes colleague profit share of £(25)m (2023: £(8)m) and a consolidation adjustment of £(19)m (2023: nil), relating to the MAP.

Adjusted EBITDA including share of EBITDA of joint ventures and associates decreased to £2,305m (2023: £3,500m), largely reflecting the movement in adjusted operating profit, discussed on pages 7 to 9.

Operating profit, earnings and dividend

		2024			2023		
Year ended 31 December (£m)	Notes	Business performance	Exceptional items and certain re-measurements	Results for the year	Business performance	Exceptional items and certain re-measurements	Results for the year
Group operating profit	5(c)	**1,552**	**151**	**1,703**	2,752	3,760	6,512
Net finance income/(cost)	7	44	(68)	(24)	(39)	—	(39)
Taxation	8	(553)	239	(314)	(838)	(1,595)	(2,433)
Profit from operations		**1,043**	**322**	**1,365**	1,875	2,165	4,040
Less: (Profit)/loss attributable to non-controlling interests		(59)	26	(33)	(16)	(95)	(111)
Adjusted earnings attributable to shareholders		**984**	**348**	**1,332**	1,859	2,070	3,929
Basic earnings per share	10	**19.0p**	**6.7p**	**25.7p**	33.4p	37.2p	70.6p
Full year dividend per share	9			**4.5p**			4.0p

Adjusted operating profit decreased to £1,552m (2023: £2,752m). More detail on specific business unit adjusted operating profit performance is provided in the Group Overview on pages 9 to 15.

Statutory operating profit was £1,703m (2023: £6,512m), with the difference between the two measures of profit relating to a net gain on exceptional items and certain re-measurements of £151m (2023: £3,760m).

Certain re-measurements included within operating profit

Certain re-measurements are the fair value movements on energy contracts entered into to meet the future needs of our customers, or to sell the energy produced from our upstream assets. These contracts are economically related to our upstream assets, capacity/off-take contracts or downstream demand, which are typically not fair valued, and are therefore separately identified in the current period and reflected in business performance in future periods when the underlying transaction or asset impacts the Group Income Statement.

If the future costs to fulfil customer supply contracts, including the mark-to-market reversal of any energy hedging contracts entered into to meet this demand, exceed the charges recoverable from customers, an onerous contract provision will be recognised. Similarly, if the future revenues from LNG procurement contracts, including the mark-to-market reversals of hedging contracts entered into related to these purchases, do not exceed the purchase cost, an onerous contract provision will be recognised. Because the associated, unrealised hedging gains or losses will be recognised in certain re-measurements, the movements in these onerous provisions will also be recognised in certain re-measurements.

The Group operating profit in the statutory results includes a net pre-tax profit of £279m (2023: £4,405m) relating to re-measurements, comprised of:

- A net gain of £421m on the re-measurement of derivative energy contracts. This predominantly reflects the unwind of 2023 out-of-the-money energy supply contract hedge purchases, partially offset by an unwind of our infrastructure businesses and Centrica Energy in-the-money positions from 2023. The net positive impact of these two factors was £377m. In addition, we saw a net gain of £44m from our wider portfolio, driven by net changes in commodity prices.
- A net loss of £142m from the movement in onerous contract provisions. Included within this is the onerous energy supply contract provision, which is based on the future costs to fulfil customer contracts on a current market basis. This provision had fully unwound by 31 December 2023 and remains at £nil on 31 December 2024. However, the acquisition of AvantiGas ON Limited in 2022, included an opening balance sheet onerous contract provision, which is unwound to the business performance column of the Group Income Statement on a pre-determined acquisition date basis, to

ensure this column reflects the true profit/loss relative to the acquisition date values. At each reporting date, the closing balance sheet value of the onerous contract provision is then updated to reflect actual market prices, with the required remaining movement in the provision posted to the certain re-measurements column. Because commodity prices generally fell after the 2022 acquisition, this meant that the balance sheet onerous contract provision fell more quickly than originally expected. This led to a £69m onerous contract provision movement income in certain re-measurements in 2023. Accordingly, there is a £60m cost in 2024 in certain re-measurements, as this position has now mostly unwound. Also included is an £82m cost (2023: £nil) relating to an onerous LNG contract, however the LNG portfolio is forecast to remain profitable when taking into account future hedges and cargoes.

Further details can be found in note 6(a) to the accounts.

Exceptional items included within operating profit

An exceptional pre-tax operating cost of £128m was recognised within the statutory Group operating profit (2023: £645m) made up of:

- £53m (2023: £nil) legacy contract costs associated with business activity that ceased a number of years ago, predominantly related to construction services, have led to an increase in provisions during the period.
- A £48m (2023: £549m) impairment of the Nuclear investment as a result of a reduction in power prices, partially offset by the life extensions at four stations.
- A £27m (2023: £14m) impairment in Centrica Business Solutions, predominantly related to battery storage and solar assets, as a result of lower forecast power price capture, together with an increase in discount rate and an increase in operating and capital expenditure forecasts.
- 2023 also included an £82m impairment of the Rough gas storage asset as a result of a reduction in both forecast gas prices and forecast summer/winter gas price spreads.

Further details on exceptional items, including on impairment accounting policy, process and sensitivities, can be found in notes 6(b) and 6(c) to the accounts.

Net finance income/cost

Net finance income on business performance was £44m (2023: £39m net finance cost), largely due to an increase in interest income on cash balances, reflecting higher UK interest rates, the higher cash balances we held during the year, and a reduction in financing costs on bonds and bank loans.

In addition, £68m of exceptional financing costs have been recognised in relation to debt repurchase and refinancing exercises. £370m of debt instruments have been repurchased in advance of their maturity date. Due to the premium paid above existing carrying value and transaction fees, a one-off Income Statement cost of £50m has been incurred. Additionally, refinancing of the 2075 hybrid bond, designated in a fair value hedge relationship, with a carrying value of £435m and repayment value of £453m (including fees), has resulted in a one-off Income Statement financing cost of £18m.

Taxation and adjusted effective tax rate

Business performance taxation on profit decreased to £553m (2023: £838m). This excludes tax on joint ventures and associates. After taking account of tax on joint ventures and associates, the adjusted tax charge was £671m (2023: £912m).

The resultant adjusted effective tax rate for the Group was 39% (2023: 33%), with a higher proportion of profits coming from highly taxed Infrastructure activities. The adjusted effective tax rate calculation is shown below:

Year ended 31 December (£m)	2024	2023
Adjusted operating profit before impacts of taxation	**1,552**	2,752
Add: JV/associate taxation included in adjusted operating profit	**118**	74
Net finance income/(cost)	**44**	(39)
Adjusted profit before taxation	**1,714**	2,787
Taxation on adjusted operating profit	**(553)**	(838)
Share of JV/associate taxation	**(118)**	(74)
Adjusted tax charge	**(671)**	(912)
Adjusted effective tax rate	**39%**	33%

A charge totalling £166m (2023: £326m) related to the Electricity Generator Levy is included in the Group's cost of sales and in our share of the operating profits of joint venture and associates. The Levy is not an income tax and is not deductible for corporation tax purposes. If this had been treated as a tax, the Group's adjusted effective tax rate would have been 45% (2023: 40%).

Total certain re-measurements and exceptional items generated a taxation credit of £239m (2023: £1,595m charge), which was larger than the total certain re-measurements and exceptional items due to the mix of profits from downstream and losses from the higher tax business, Spirit, together with an exceptional deferred tax credit in Spirit. When included with taxation on business performance generated a total taxation charge of £314m (2023: £2,433m).
See notes 3(b), 6(a), 6(b) and 8 for more details.

Group earnings
Profit for the year from business performance after taxation was £1,043m (2023: £1,875m). After adjusting for non-controlling interests relating to Spirit Energy, adjusted earnings were £984m (2023: £1,859m).

Adjusted basic EPS was 19.0p (2023: 33.4p), which also includes the impact of a lower weighted average number of shares than in 2023, reflecting the ongoing share buyback programme.

After including exceptional items and certain re-measurements, including those attributable to non-controlling interests, the statutory profit attributable to shareholders for the period was £1,332m (2023: £3,929m).

The Group reported a statutory basic EPS of 25.7p (2023: 70.6p).

Dividend
In addition to the interim dividend of 1.5p per share, the proposed final dividend is 3.0p per share, giving a total full year dividend of 4.5p per share (2023: 4.0p per share).

The cash paid to Centrica shareholders in dividends in 2024 was £219m, made up of the 2.67p per share final 2023 dividend and the 1.5p per share interim 2024 dividend (2023: £186m).

GROUP CASH FLOW, NET CASH AND BALANCE SHEET

Group cash flow
Free cash flow (FCF) is the Group's primary measure of cash flow as management believe it provides relevant information to show the cash generation of the business after taking account of the need to maintain the Group's capital asset base. FCF was £989m (2023: £2,207m). See explanatory note 5(f) for further details and a reconciliation between statutory cash flow from operating and investing activities and free cash flow.

Year ended 31 December (£m)	2024	2023
Adjusted EBITDA (i)	**1,792**	3,085
Dividends received	**355**	220
Adjusted EBITDA and dividends received	**2,147**	3,305
Tax	**(636)**	(803)
Working capital	**124**	244
Decommissioning spend	**(80)**	(173)
Capital expenditure (ii)	**(564)**	(415)
Disposals	**4**	55
Exceptional cash flows	**(6)**	(6)
Free cash flow	**989**	2,207
Net interest	**34**	(19)
Pension deficit payments	**(176)**	(180)
Movements in margin cash (iii)	**131**	585
Share buyback programme	**(499)**	(613)
Dividends - Centrica shareholders	**(219)**	(186)
Dividends - Spirit Energy minority shareholder	**–**	(17)
Other cash flows affecting net debt (iv)	**(76)**	6
Adjusted cash flow affecting net cash	**184**	1,783
Opening adjusted net cash (as at 1 January)	**2,744**	1,199
Adjusted cash flow movements	**184**	1,783
Non-cash movements (v)	**(70)**	(238)
Closing adjusted net cash	**2,858**	2,744

(i) Excludes Centrica's share of associate EBITDA of £513m (2023: £415m).
(ii) Capital expenditure (including small acquisitions). See pages 20 to 21 for more detail.
(iii) As at 31 December 2024, margin cash posted was £105m (2023: £240m).
(iv) 2024 other cash flows affecting net cash includes £(68)m relating to exceptional financing costs in relation to debt repurchase and refinancing activities.
(v) 2024 non-cash movements includes £(55)m relating to new leases and the re-measurements of existing leases (2023: £(158)m).

The net inflow of working capital was £124m (2023: £244m). Within this, there was a £342m working capital inflow in Centrica Energy driven by profit on prior year derivative cash positions settled during 2024, a £148m working capital inflow in Centrica Energy Storage+ relating to higher withdrawals and a lower injection price, partially offset by a £456m outflow in British Gas Energy related to the impact of falling commodity prices.

The collateral and margin cash inflow was £131m (2023: £585m).

Net investment
The net investment outflow for the period was £560m (2023: £360m). Within this, capital expenditure (including small acquisitions) of £564m (2023: £415m) was predominantly driven by investment in flexible and renewable power generation assets across Bord Gáis Energy and Centrica Business Solutions, and the acquisition of ENSEK and investment in the MAP business in British Gas Energy.

The table below provides a summary of total Group net investment by business unit, which management uses to provide a measure of the Group's capital expenditure from a cash perspective, and a reconciliation of this measure to capital expenditure disclosed in note 5(e).

Year ended 31 December (£m)	2024	2023
British Gas Services & Solutions	**(22)**	(50)
British Gas Energy	**(187)**	–
Bord Gáis Energy	**(103)**	(72)
Centrica Business Solutions	**(160)**	(114)
Centrica Energy	**(40)**	(47)
Nuclear	**–**	–
Spirit Energy	**(31)**	(75)
Centrica Energy Storage+	**(11)**	(26)
Other [(i)]	**(10)**	(31)
Capital expenditure (including small acquisitions)	**(564)**	(415)
Net disposals	**4**	55
Total Group net investment	**(560)**	(360)
Add back:		
Capitalised borrowing costs	**(11)**	(2)
Inception of new leases and movements in payables and prepayments related to capital expenditure	**(63)**	(85)
Purchases of emissions allowances and renewable obligation certificates	**(856)**	(780)
Deduct:		
Net disposals	**(4)**	(55)
Purchase of businesses, net of cash acquired	**92**	34
Investment in joint ventures and associates	**–**	9
Net purchase of other investments [(ii)]	**56**	37
Capital expenditure (per note 5(e))	**(1,346)**	(1,202)

(i) This includes a consolidation adjustment of £19m (2023: £nil) relating to MAP.
(ii) Includes £27m Centrica Energy investments and £25m Centrica Business Solutions convertible loan note investment in Highview Enterprises Ltd group.

Group adjusted net cash

Accordingly, the Group's adjusted net cash position as at 31 December 2024 was £2,858m, compared to £2,744m on 31 December 2023. The breakdown of net cash is shown below:

As at 31 December (£m)	2024	2023
Current and non-current borrowings, leases and interest accruals	**(2,867)**	(3,289)
Derivatives	**(107)**	(119)
Gross debt	**(2,974)**	(3,408)
Cash and cash equivalents, net of bank overdrafts	**5,693**	5,629
Current and non-current securities	**139**	521
Sub-lease assets	**–**	2
Adjusted net cash	**2,858**	2,744

Further details on the Group's sources of finance and net cash are included in note 11.

Statutory cash flow

Year ended 31 December (£m)	2024	2023
Statutory cash flow from operating activities	**1,149**	2,752
Statutory cash flow from investing activities	**493**	115
Statutory cash flow from financing activities	**(1,548)**	(1,414)
Net increase in cash and cash equivalents	**94**	1,453

Net cash inflow from operating activities decreased to £1,149m (2023: £2,752m), with the impact of lower adjusted EBITDA.

Net cash inflow from investing activities was £493m (2023: £115m). Within this, interest received increased to £317m (2023: £267m) reflecting the higher interest rate environment, while dividends from our Nuclear associate increased to £355m (2023: £220m). Capital expenditure (including small acquisitions) increased to £564m (2023: £415m) as we build momentum in our green-focused growth and investment strategy. There was a £400m settlement of securities, relating to the settlement of previous loans made to the pension schemes.

Net cash outflow from financing activities was £1,548m (2023: £1,414m). Within this there was a net outflow on borrowings of £539m (2023: £318m) driven by the repurchase of debt instruments, and the refinancing of our hybrid bond. Cash distributions to equity shareholders were £499m (2023: £613m) through the Group's share buyback programme, and £219m (2023: £186m) related to ordinary dividend payments. There were no distributions to Spirit Energy's minority partner in the year (2023: £17m).

The above resulted in a £94m increase in cash and cash equivalents over the year. Gross debt reduced by £434m, reflecting £370m of debt instruments having been repurchased in advance of their maturity date during the period. When also including the impact of foreign exchange adjustments on cash, the Group's adjusted net cash position at 31 December 2024 was £2,858m, compared to £2,744m on 31 December 2023.

Further details on the Group's sources of finance and adjusted net debt are included in note 11.

Pension deficit

The Group's IAS 19 net pension deficit was £21m at the year-end, compared with a £117m deficit at 31 December 2023, with the impact of pension deficit contributions during the year partly offset by a decrease in high-quality corporate bond yields used to discount the pension liabilities, a lower return on scheme assets and an actuarial adjustment due to inflation experience. The technical provisions deficit is based on more conservative assumptions and is used to determine the agreed level of cash contributions into the schemes. In February 2025, we reached agreement with the pension trustees on a March 2024 technical provisions deficit of £504m, with annual deficit contributions of around £140m a year to 2027. On a roll-forward basis using the same methodology, consequent assumptions and contributions paid, the technical provision deficit would be around £450m at 31 December 2024.

Further details on post-retirement benefits are included in note 14.

Decommissioning liabilities

The £1,459m (2023: £1,527m) decommissioning provision is predominantly the estimated pre-tax net present cost of decommissioning gas production facilities at the end on their useful lives, based on 2P reserves, price levels, and technology at the balance sheet date. As at 31 December 2024 the provision balance is £1,139m for Spirit Energy, £302m in relation to the Rough field and £18m in the remainder of the business. The provisions are held gross of tax, with a corresponding deferred tax asset of £605m (2023: £617m).

Further details on the decommissioning provision are included in note 3 and 17.

Balance sheet

Net assets increased to £4,812m (2023: £4,233m), predominantly driven by the statutory profit the Group generated. This was partially offset by the impact of items reported in equity, including a £480m reduction from the share buyback programme and £219m of dividends paid to shareholders.

Acquisitions, disposals and other investments

On 11 June 2024 the Group invested £25m in convertible loan notes and ordinary shares in Highview Enterprises Limited. The Group also agreed to provide financing to CryoBattery One Limited, a subsidiary of Highview Enterprises Limited, in the form of a £45m senior debt facility of which £3m has been drawn down at 31 December 2024. This entity is developing a new cryogenic energy storage plant. When built, this will consist of a long duration storage process using patented Liquid Air Energy Storage (LAES) technology.

On 29 July 2024 the Group acquired ENSEK and its innovative customer management platform, Ignition for £91 m. The acquisition completed on 20 September 2024. The acquisition will deliver strong returns aligned with the Group's capital allocation framework and investment thresholds and will enhance the Group's ability to offer innovative propositions to its customers as the energy system evolves.

Further details on assets purchased, acquisitions and disposals are included in notes 5(e) and 15.

EVENTS AFTER THE BALANCE SHEET DATE

Details of events after the balance sheet date are described in note 19.

RISKS AND CAPITAL MANAGEMENT

The nature of the Group's principal risks and uncertainties are broadly unchanged from those set out in the 2023 Annual Report.

There is heightened risk in our UK retail energy supply and insurance business units arising from ongoing regulatory scrutiny across our markets. Cost of living challenges continue to affect our customers' ability to pay their bill; and with fuel poverty increasing, bad debt levels remain high.

Market risk has remained stable, with further reductions of volatility in the EU wholesale power and gas markets, which in turn has led to a stabilisation of the credit environment. The Group's liquidity position continues to improve, with the extension of £5bn committed credit facilities and maintenance of the $3bn US Commercial Paper programme, and with the liability management and refinancing of the hybrid bond in 2024 to strengthen the balance sheet.

External trends influencing our risk landscape include the speed of the energy transition and technological innovation, as well as the impact of geopolitical tensions, and the evolving cyber threat landscape. Centrica's response includes the enhancement of our digital services capability through acquiring ENSEK, investment in customer data and service to accelerate our adaption to evolving customer needs, investment in supply chain resilience and supplier risk management, and Strategic Workforce Planning to ensure fulfilment of our future human capital needs. Our technology teams also continue to build security capabilities and improvements in controls to detect and respond to increasingly sophisticated cyber-attacks.

Management remains focused on mitigating operational and asset integrity risks through robust controls and fostering a safety-first culture through a proactive risk management culture.

Details of how the Group has managed financial risks such as liquidity and credit risk are set out in note 4. Details of the Group's capital management processes are provided under sources of finance in note 11.

ACCOUNTING POLICIES

The Group's accounting policies and specific accounting measures, including changes of accounting presentation, selected key sources of estimation uncertainty and critical accounting judgements, are explained in notes 1, 2 and 3.

Statement of Directors' Responsibilities

Directors are responsible for preparing the Group Financial Statements in accordance with applicable law, regulations and accounting standards. In preparing the Group Financial Statements, International Accounting Standard 1 required the Directors to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

Each of the Directors confirms that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with the United Kingdom adopted International Accounting Standards, with International Financial Reporting Standards as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the Strategic Report contained in the Annual Report and Accounts, from which this narrative is extracted, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board on 19 February 2025

Chris O'Shea
Group Chief Executive

Russell O'Brien
Group Chief Financial Officer

Group Income Statement

Year ended 31 December	Notes	2024 Business performance £m	2024 Exceptional items and certain re-measurements £m	2024 Results for the year £m	2023 Business performance £m	2023 Exceptional items and certain re-measurements £m	2023 Results for the year £m
Group revenue	5,6	**23,836**	**(4,723)**	**19,113**	32,561	(6,916)	25,645
Insurance revenue	5	**800**	**—**	**800**	813	—	813
Total Group revenue		**24,636**	**(4,723)**	**19,913**	33,374	(6,916)	26,458
Cost of sales before insurance service expenses (i)	6	**(20,368)**	**9,064**	**(11,304)**	(27,682)	17,497	(10,185)
Insurance service expenses recognised in cost of sales		**(460)**	**—**	**(460)**	(475)	—	(475)
Re-measurement and settlement of derivative energy contracts	6	**—**	**(4,062)**	**(4,062)**	—	(6,175)	(6,175)
Gross profit	5,6	**3,808**	**279**	**4,087**	5,217	4,406	9,623
Operating costs before insurance service expenses, credit losses on financial assets and exceptional items		**(1,833)**	**—**	**(1,833)**	(1,778)	—	(1,778)
Insurance service expenses recognised in operating costs		**(306)**	**—**	**(306)**	(294)	—	(294)
Credit losses on financial assets	16	**(373)**	**—**	**(373)**	(602)	—	(602)
Exceptional items	6	**—**	**(128)**	**(128)**	—	(645)	(645)
Operating costs		**(2,512)**	**(128)**	**(2,640)**	(2,674)	(645)	(3,319)
Share of profits/(losses) of joint ventures and associates, net of interest and taxation	12	**256**	**—**	**256**	209	(1)	208
Group operating profit	5	**1,552**	**151**	**1,703**	2,752	3,760	6,512
Financing costs	6,7	**(269)**	**(68)**	**(337)**	(308)	—	(308)
Investment income	7	**313**	**—**	**313**	269	—	269
Net finance income/(cost)	7	**44**	**(68)**	**(24)**	(39)	—	(39)
Profit before taxation		**1,596**	**83**	**1,679**	2,713	3,760	6,473
Taxation on profit	6,8	**(553)**	**239**	**(314)**	(838)	(1,595)	(2,433)
Profit for the year		**1,043**	**322**	**1,365**	1,875	2,165	4,040
Attributable to:							
Owners of the parent		**984**	**348**	**1,332**	1,859	2,070	3,929
Non-controlling interests		**59**	**(26)**	**33**	16	95	111

Earnings per ordinary share		2024 Pence	2023 Pence
Basic	10	**25.7**	70.6
Diluted	10	**25.1**	69.4
Interim dividend paid per ordinary share	9	**1.50**	1.33
Final dividend proposed per ordinary share	9	**3.00**	2.67

(i) Cost of sales includes a £142 million debit (2023: £833 million credit) relating to movements in onerous contracts provisions within the certain re-measurements column. See notes 2 and 6.

The notes on pages 30 to 80 form part of these Financial Statements.

Group Statement of Comprehensive Income

Year ended 31 December	Notes	2024 £m	2023 £m
Profit for the year		**1,365**	4,040
Other comprehensive income			
Items that will be or have been reclassified to the Group Income Statement:			
Impact of cash flow hedging, net of taxation		**2**	(2)
Exchange differences on translation of foreign operations [(i)]		**(49)**	(44)
Items that will not be reclassified to the Group Income Statement:			
Net actuarial losses on defined benefit pension schemes, net of taxation		**(84)**	(288)
(Losses)/gains on revaluation of equity instruments measured at fair value through other comprehensive income, net of taxation		**(27)**	3
Share of other comprehensive income/(loss) of associates, net of taxation	12	**38**	(95)
Other comprehensive loss, net of taxation		**(120)**	(426)
Total comprehensive income for the year		**1,245**	3,614
Attributable to:			
Owners of the parent		**1,211**	3,504
Non-controlling interests		**34**	110

(i) Exchange differences on translation of foreign operations includes £50 million of losses (2023: £43 million) attributable to the equity holders of the parent, and £1 million of gains (2023: £1 million of losses) attributable to non-controlling interests.

The notes on pages 30 to 80 form part of these Financial Statements.

Group Statement of Changes in Equity

	Share capital £m	Share premium £m	Retained earnings £m	Other equity £m	**Total £m**	Non-controlling interests £m	**Total equity £m**
1 January 2023	365	2,394	(466)	(1,276)	1,017	263	1,280
Profit for the year	—	—	3,929	—	3,929	111	4,040
Other comprehensive loss	—	—	—	(425)	(425)	(1)	(426)
Total comprehensive income/(loss)	—	—	3,929	(425)	3,504	110	3,614
Employee share schemes and other share transactions	—	—	(3)	45	42	—	42
Share buyback programme	—	—	—	(500)	(500)	—	(500)
Dividends paid to equity holders (note 9)	—	—	(186)	—	(186)	—	(186)
Distributions to non-controlling interests	—	—	—	—	—	(17)	(17)
31 December 2023	365	2,394	3,274	(2,156)	3,877	356	4,233
Profit for the year	—	—	1,332	—	**1,332**	33	**1,365**
Other comprehensive (loss)/income	—	—	—	(121)	**(121)**	1	**(120)**
Total comprehensive income/(loss)	—	—	1,332	(121)	**1,211**	34	**1,245**
Employee share schemes and other share transactions	—	—	(8)	41	**33**	—	**33**
Share buyback programme	—	—	—	(480)	**(480)**	—	**(480)**
Shares cancelled in the year	(21)	—	(400)	421	**—**	—	**—**
Dividends paid to equity holders (note 9)	—	—	(219)	—	**(219)**	—	**(219)**
31 December 2024	344	2,394	3,979	(2,295)	**4,422**	390	**4,812**

The notes on pages 30 to 80 form part of these Financial Statements.

Group Balance Sheet

	Notes	31 December 2024 £m	31 December 2023 £m
Non-current assets			
Property, plant and equipment		**1,859**	1,846
Interests in joint ventures and associates	12	**794**	903
Other intangible assets		**318**	340
Goodwill		**478**	405
Deferred tax assets		**339**	456
Trade and other receivables, and contract-related assets	16	**179**	210
Derivative financial instruments	13	**267**	899
Retirement benefit assets	14	**129**	64
Other investments		**87**	61
Securities	11	**139**	116
		4,589	5,300
Current assets			
Trade and other receivables, and contract-related assets	16	**5,204**	5,409
Other intangible assets		**319**	293
Inventories		**904**	1,079
Derivative financial instruments	13	**1,309**	2,373
Current tax assets		**70**	64
Securities	11	**—**	405
Cash and cash equivalents	11	**6,338**	6,443
		14,144	16,066
Total assets		**18,733**	21,366
Current liabilities			
Derivative financial instruments	13	**(932)**	(2,391)
Trade and other payables, and contract-related liabilities		**(6,392)**	(7,000)
Insurance contract liabilities		**(175)**	(165)
Current tax liabilities		**(181)**	(299)
Provisions for other liabilities and charges	17	**(368)**	(279)
Bank overdrafts, loans and other borrowings	11	**(854)**	(1,002)
		(8,902)	(11,136)
Non-current liabilities			
Deferred tax liabilities		**(88)**	(424)
Derivative financial instruments	13	**(455)**	(615)
Trade and other payables, and contract-related liabilities		**(175)**	(207)
Provisions for other liabilities and charges	17	**(1,493)**	(1,469)
Retirement benefit obligations	14	**(150)**	(181)
Bank loans and other borrowings	11	**(2,658)**	(3,101)
		(5,019)	(5,997)
Total liabilities		**(13,921)**	(17,133)
Net assets		**4,812**	4,233
Share capital		**344**	365
Share premium		**2,394**	2,394
Retained earnings		**3,979**	3,274
Other equity		**(2,295)**	(2,156)
Total shareholders' equity		**4,422**	3,877
Non-controlling interests		**390**	356
Total shareholders' equity and non-controlling interests		**4,812**	4,233

The Financial Statements on pages 25 to 80, of which the notes on pages 30 to 80 form part, were approved and authorised for issue by the Board of Directors on 19 February 2025 and were signed below on its behalf by:

Chris O'Shea
Group Chief Executive

Russell O'Brien
Group Chief Financial Officer

Centrica plc Registered No: 03033654

Group Cash Flow Statement

Year ended 31 December	Notes	2024 £m	2023 £m
Group operating profit including share of results of joint ventures and associates		**1,703**	6,512
Deduct share of profits of joint ventures and associates, net of interest and taxation	12	**(256)**	(208)
Group operating profit before share of results of joint ventures and associates		**1,447**	6,304
Add back/(deduct):			
Depreciation and amortisation	5	**473**	518
Impairments	5,6	**98**	669
Gain on disposals		**(4)**	—
Increase/(decrease) in provisions		**110**	(1,021)
Cash contributions to defined benefit schemes in excess of service cost income statement charge		**(208)**	(215)
Employee share scheme costs		**47**	31
Unrealised losses/(gains) arising from re-measurement of energy contracts		**96**	(2,949)
Operating cash flows before movements in working capital relating to business performance and payments relating to taxes, exceptional charges and operating interest		**2,059**	3,337
Decrease in inventories		**164**	186
Decrease in trade and other receivables and contract-related assets relating to business performance		**241**	2,911
Decrease in trade and other payables and contract-related liabilities relating to business performance		**(657)**	(2,853)
Operating cash flows before payments relating to taxes, exceptional charges and operating interest		**1,807**	3,581
Taxes paid		**(636)**	(803)
Operating interest paid	7	**(16)**	(20)
Payments relating to exceptional charges in operating costs	6	**(6)**	(6)
Net cash flow from operating activities		**1,149**	2,752
Purchase of businesses and assets, net of cash acquired	15	**(92)**	(34)
Sale of businesses, including receipt of deferred consideration		**4**	55
Purchase of property, plant and equipment and intangible assets	5	**(416)**	(335)
Investments in joint ventures and associates	12	**—**	(9)
Dividends received from joint ventures and associates	12	**355**	220
Interest received		**317**	267
Net purchase of other investments		**(56)**	(37)
Settlement of securities	11	**400**	—
Purchase of securities	11	**(19)**	(12)
Net cash flow from investing activities		**493**	115
Proceeds from exercise of share options		**—**	6
Payments for own shares		**(8)**	—
Share buyback programme		**(499)**	(613)
Cash inflow from borrowings	11	**483**	930
Distributions to non-controlling interests		**—**	(17)
Financing interest paid	11	**(283)**	(286)
Cash outflow from repayment of borrowings and capital element of leases	11	**(1,022)**	(1,248)
Equity dividends paid	9	**(219)**	(186)
Net cash flow from financing activities		**(1,548)**	(1,414)
Net increase in cash and cash equivalents		**94**	1,453
Cash and cash equivalents including overdrafts as at 1 January		**5,629**	4,242
Effect of foreign exchange rate changes	11	**(30)**	(66)
Cash and cash equivalents including overdrafts at 31 December	11	**5,693**	5,629
Included in the following line of the Group Balance Sheet:			
Cash and cash equivalents	11	**6,338**	6,443
Overdrafts included within current bank overdrafts, loans and other borrowings	11	**(645)**	(814)

The notes on pages 30 to 80 form part of these Financial Statements.

Notes to the Financial Statements

1. General information, basis of preparation and summary of significant new accounting policies and reporting changes

This section details new accounting standards, amendments to standards and interpretations, whether these are effective in 2024 or later years, and if and how these are expected to impact the financial position and performance of the Group.

(a) General information

Centrica plc (the 'Company') is a public company limited by shares, domiciled and incorporated in the UK, and registered in England and Wales. The address of the registered office is Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD. The Company, together with its subsidiaries comprise the 'Group'. The Company has its listing on the London Stock Exchange.

The Financial Statements for the year ended 31 December 2024 included in this announcement were authorised for issue in accordance with a resolution of the Board of Directors on 19 February 2025.

The preliminary results for the year ended 31 December 2024 have been extracted from audited accounts which have not yet been delivered to the Registrar of Companies. The Financial Statements set out in this announcement do not constitute statutory accounts for the year ended 31 December 2024 or 31 December 2023. The financial information for the year ended 31 December 2023 is derived from the statutory accounts from that year. The report of the auditors on the statutory accounts for the year ended 31 December 2024 was unqualified and did not contain a statement under Section 498 of the Companies Act 2006.

(b) Basis of preparation

The accounting policies applied in these Financial Statements for the year ended 31 December 2024 are consistent with those of the Annual Financial Statements for the year ended 31 December 2023, as described in those financial statements, with the exception of standards, amendments and interpretations effective in 2024 and other presentational changes.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future, which reflects a period of twelve months from the date of approval of the accounts, with modelled analysis extending to 31 December 2027. The scenarios considered as part of the going concern assessment are consistent with those used in the longer-term viability statement. In particular, cash forecasts for the Group have been stress-tested for different scenarios including reasonably possible increases/decreases in commodity prices and the risk scenarios described in the viability statement, assessing reasonably possible combinations of risks, the largest of which is the increased margin outflows in our trading and upstream businesses. Risks considered also include the impact of a low commodity price environment, significant adverse weather events, increased bad debt charges, production falls in the Group's upstream business, trading and hedging underperformance and cyber risk. The Group's strong liquidity position, coupled with its ability to deploy effective mitigating actions, ensures resilience against a volatile external risk environment. The Group continues to manage the Group's financing profile through accessing a diverse source of term funding and maintaining access to carefully assessed levels of standby liquidity which support the Group's planned financial commitments. The level of undrawn committed bank facilities and available cash resources has enabled the Directors to conclude that there are no material uncertainties relating to going concern. As a result, the Group continues to adopt the going concern basis of accounting in preparing the financial statements. Further information on the Group's strong liquidity position, including its indebtedness and available committed facilities, is provided in note 11.

(c) New accounting policies, standards, amendments and interpretations effective or adopted in 2024

From 1 January 2024, the following standards and amendments are effective in the Group's consolidated Financial Statements:

- Amendments to IAS 1 'Presentation of Financial Statements', Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants;
- Amendments to IFRS 16 'Leases', Lease Liability in a Sale and Leaseback; and
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures', Supplier Finance Arrangements.

There has been no material impact on the consolidated Financial Statements from any of the above amendments during the year.

(d) Standards and amendments that are issued but not yet applied by the Group

At the date of authorisation of these consolidated Financial Statements, the Group has not applied the following new and revised standards and amendments that have been issued but are not yet effective:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' Lack of Exchangeability, effective from 1 January 2025;
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Amendments to the Classification and Measurement of Financial Instruments, effective from 1 January 2026;
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Contracts Referencing Nature-dependent Electricity, effective from 1 January 2026;
- IFRS 18 'Presentation and Disclosure in Financial Statements', effective from 1 January 2027; and
- IFRS 19 'Subsidiaries without Public Accountability', effective from 1 January 2027.

The potential impact of IFRS 18 'Presentation and Disclosure in Financial Statements', and the amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' in respect of Nature-dependent Electricity are given on the next page.

1. General information, basis of preparation and summary of significant new accounting policies and reporting changes

IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 will replace IAS 1 'Presentation of Financial Statements' and become effective on 1 January 2027. IFRS 18 will introduce five new requirements on presentation and disclosure in the financial statements, with a focus on the income statement and reporting of financial performance. Income and expenses in the income statement will be classified into five categories – operating, investing, financing, income taxes and discontinued operations. Two new subtotals will be presented: 'Operating profit or loss' and 'Profit or loss before financing and income tax'.

IFRS 18 will also require disclosures about management-defined performance measures in the financial statements and disclosure of information based on enhanced general requirements on aggregation and disaggregation.

The Group is currently assessing the impact of IFRS 18 and tentatively notes that the presentation of the Group's share of profits and losses of joint ventures and associates is expected to be shown within investing activities, rather than Group operating profit or loss. The Group's assessment remains ongoing and further changes upon the implementation of IFRS 18 may be required.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) has introduced targeted amendments to IFRS 9 and IFRS 7 aimed at resolving the challenges in accounting for electricity contracts, such as power purchase agreements, dependent on uncontrollable natural factors, such as weather conditions. The amendments clarify how entities should assess whether these contracts qualify for the 'own-use' exemption available under IFRS 9. Key considerations include whether the entity is a net purchaser over a reasonable time frame, taking into account variability in electricity generation. Amendments to hedge accounting have also been made to allow entities to designate a variable nominal volume of forecasted purchases or sales as the hedged item, provided certain conditions are met.

The Group is currently assessing the impact of these amendments which become effective on 1 January 2026.

Management does not currently expect the other issued but not effective amendments or standards, or standards not discussed above to have a material impact on the consolidated Financial Statements.

2. Centrica specific accounting measures

This section sets out the Group's specific accounting measures applied in the preparation of the consolidated Financial Statements. These measures enable the users of the accounts to understand the Group's underlying and statutory business performance separately.

(a) Use of adjusted performance measures

The Directors believe that reporting adjusted measures (revenue, margin, profit, earnings per share and cash flow) provides additional useful information on business performance and underlying trends. These measures are used for internal performance purposes, are not defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies.

Management uses adjusted revenue, adjusted gross margin and adjusted operating profit to evaluate segment performance. They are defined as revenue/gross margin/operating profit before:

- Exceptional items; and
- Certain re-measurements.

Exceptional items and certain re-measurements are excluded to enable the Directors to convey to the users an enhanced understanding of the Group's business performance. See section (b) of this note for further details. Segmental adjusted gross margin and adjusted operating profit exclude the impact of the colleague profit share because management considers it unrelated to segmental business performance. Similarly, because Segmental adjusted gross margin and adjusted operating profit are presented as managed by the Board (Chief Operating Decision Maker), the elimination on consolidation of the internal margin and indirect costs on smart meter installation recognised in British Gas Services & Solutions and subsequently capitalised in the meter asset provider business within British Gas Energy is also excluded.

Adjusted earnings is defined as earnings before:

- Exceptional items net of taxation; and
- Certain re-measurements net of taxation.

A reconciliation of adjusted earnings and adjusted earnings per share is provided in note 10.

Free cash flow is used by management to assess the cash-generating performance of each segment. Segmental free cash flow is defined as net cash flow from operating and investing activities before:

- Deficit reduction payments made to the UK defined benefit pension schemes;
- Movements in variation margin and collateral;
- Interest received;
- Sale, settlement and purchase of securities; and
- Taxes paid and refunded.

Segmental free cash flow as assessed by management excludes cash flows relating to tax. This is because the effect of Group relief and similar reliefs could distort the measure of segment performance. As a Group-wide measure, free cash flow includes taxes paid and refunded.

Free cash flow gives a measure of the cash generation performance of the business after taking account of the need to maintain its capital asset base. By excluding deficit reduction payments and movements in variation margin and collateral, which are predominantly triggered by wider market factors and, in the case of collateral and margin movements, represent timing differences, free cash flow gives a measure of the underlying performance of the Group.

Interest received and cash flows from the sale, settlement and purchase of securities are excluded from free cash flow as these items are included in the Group's adjusted net cash/(debt) measure and are therefore viewed by the Directors as related to the manner in which the Group finances its operations.

Adjusted net cash/(debt) is used by management to assess the underlying indebtedness of the business. Adjusted net cash/(debt) is defined as cash and cash equivalents, net of bank overdrafts, borrowings, leases, interest accruals and related derivatives. This is adjusted for:

- Securities; and
- Sub-lease assets.

2. Centrica specific accounting measures

(b) Exceptional items and certain re-measurements

The Group reflects its underlying financial results in the business performance column of the Group Income Statement. To be able to provide users with this clear and consistent presentation, the effects of 'certain re-measurements' of financial instruments, and 'exceptional items', are reported in a different column in the Group Income Statement.

The Group is an integrated energy business. This means that it utilises its knowledge and experience across the gas and power (and related commodity) value chains to make profits across the core markets in which it operates. As part of this strategy, the Group enters into a number of forward energy trades to protect and optimise the value of its underlying production, generation, storage and transportation assets and contracts (and similar capacity or offtake arrangements including Liquefied Natural Gas (LNG)), as well as to meet the future needs of its customers (downstream demand). These trades are designed to reduce the risk of holding such assets, contracts or downstream demand and are subject to strict risk limits and controls.

Primarily because some of these trades include terms that permit net settlement, they are prohibited from being designated as 'own use' and so IFRS 9 'Financial Instruments' requires them to be individually fair valued.

Fair value movements on these commodity derivative trades do not reflect the underlying performance of the business because they are economically related to our upstream assets, capacity/offtake contracts or downstream demand, which are typically not fair valued. Similarly, where our downstream customer supply contracts or our LNG procurement contracts have become onerous as a result of significant market price movements (and the fact any associated commodity hedges have separately been recognised at fair value under IFRS 9 and therefore the onerous supply/LNG contract assessment must reflect the reversal of those gains in subsequent periods), Movements in the required provision are also reflected as a certain re-measurement in the 'Cost of sales' line item and separately disclosed in note 6.

Movements in this provision do not reflect the underlying performance of the business because they are economically related to both the hedges as well as forecast future profitability of the portfolio as a whole, in the case of the supply/LNG procurement contracts. Therefore, these certain re-measurements are reported separately and are subsequently reflected in business performance when realised, which is generally when the underlying transaction or asset impacts profit or loss. This enables the Group to convey the performance of the business both with and without the impact of such items.

The effects of these certain re-measurements are presented within either revenue or cost of sales when recognised in business performance depending on the nature of the contract. They are managed separately from proprietary energy trading activities where trades are entered into speculatively for the purpose of making profits in their own right. These proprietary trades are included in revenue in the business performance column of the Group Income Statement.

The Group's result for the year presents both realised and unrealised fair value movements on all derivative energy contracts within the 'Re-measurement and settlement of derivative energy contracts' line item.

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. Again, to ensure the business performance column reflects the underlying results of the Group, these exceptional items are also reported in the separate column in the Group Income Statement. Items that may be considered exceptional in nature include disposals of businesses or significant assets, business restructuring, debt repurchase/refinancing costs, legacy contract costs associated with business activities that have ceased, certain pension past service credits/costs, asset impairments/write-backs, and the tax effects of these items.

The Group distinguishes between business performance asset impairments/write-backs and exceptional impairments/write-backs on the basis of the underlying driver of the impairment, as well as the magnitude of the impairment. Drivers that are deemed to be outside of the control of the Group (e.g. commodity price changes) give rise to exceptional impairments. Additionally, impairment charges that are of a one-off nature (e.g. reserve downgrades or one-time change in intended use of an asset) and significant enough value to distort the underlying results of the business are considered to be exceptional. Other impairments that would be expected in the normal course of business are reflected in business performance.

3. Critical accounting judgements and key sources of estimation uncertainty

This section sets out the key areas of judgement and estimation that have the most significant effect on the amounts recognised in the consolidated Financial Statements.

(a) Critical judgements in applying the Group's accounting policies

Management has made the following key judgements in applying the Group's accounting policies that have the most significant effect on the consolidated Group Financial Statements.

Spirit Energy consolidation
The Group judges that through its Board majority, it can control the relevant activities that most significantly influence the variable returns of the Spirit Energy business, including Board Reserved Matters. Consequently, Spirit Energy is fully consolidated. This assessment was carried out when the Group acquired Bayerngas Norge's exploration and production business and combined this with the Group's existing exploration and production business to form the Spirit Energy business in 2017 and is considered annually to ensure consolidation remains appropriate.

The Group holds a 69% interest in Spirit Energy. The 31% minority interest shareholder does have some influence over decision-making activities, but does not possess any controlling rights over the Spirit Energy business.

Liquefied Natural Gas (LNG) contracts
The Group is active in the LNG market, both procuring long-term LNG supply arrangements and transacting in shorter-term LNG cargoes. As part of its operations in the market, the Group optimises its contractual positions in order to meet customer demand for physical commodity. In response to the continuing development of the global LNG market which, consistent with prior years, is not considered to be active, the Group has reviewed its portfolio of LNG transactions and contracts. It has judged that its activities are carried out for the purpose of receipt or delivery of physical commodity in accordance with its expected purchase and sale requirements. As a result, the Group's contracts to buy and sell LNG are outside the scope of IFRS 9 and are accounted for on an accruals basis. As a consequence of this judgement, the LNG contracts are also assessed as to whether they may be onerous.

The Group considers it a critical judgement as to whether any onerous contract costs arising should be presented as a certain re-measurement until such time that the physical cargoes are delivered, or within business performance. The same judgement applies to the recognition, and timing, of unrealised hedging gains or losses relating to those contracts.

The onerous contract assessment ignores the portfolio of hedges associated with the LNG contracts because the hedges are separately marked to market. See note 2(b) for further details on the accounting treatment of LNG onerous contracts and hedging derivatives within certain re-measurements. In some instances, hedges may realise (with gains/losses recognised in the business performance column of the Group Income Statement) in advance of cargo delivery because of the pricing terms within the cargo contracts. In 2024, hedge gains of £52 million were realised and recorded within business performance which are notionally associated with cargo purchases that will be delivered in the first quarter of 2025. These cargo purchases are expected to result in a loss of a similar amount in 2025. This forecast loss, whilst included as part of the onerous contract provision at the balance sheet date, has not been recognised in business performance, as the LNG contracts are hedged on a portfolio basis and so the Group does not expect an unavoidable loss in business performance once future physical cargoes, and hedging re-measurements, are delivered and realised respectively. The portfolio is forecast to remain profitable in 2025 and beyond. See note 6.

3. Critical accounting judgements and key sources of estimation uncertainty

(b) Key sources of estimation uncertainty

The sections below detail the assumptions the Group makes about the future and other major sources of estimation uncertainty when measuring its assets and liabilities at the reporting date. The information given relates to the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to those assets and liabilities in the next financial year. In some cases, the matter involves both a critical judgement as well as a key source of estimation uncertainty. That is, there is more than one judgemental aspect related to the matter. In these instances, all critical judgements and key sources of estimation uncertainty related to each area are discussed in the same section to provide a comprehensive understanding of the overall nature of the uncertainties involved.

Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions, and, in some cases, actuarial techniques. Although these estimates and associated assumptions are based on management's best knowledge of current events and circumstances, actual results may differ. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Electricity Generator Levy

At the end of 2022, the Government announced the implementation of the Electricity Generator Levy (EGL), a new, temporary levy applicable to receipts that the Group realises from electricity generation in the UK from nuclear and renewable sources in the period from 1 January 2023 to 31 March 2028. It was legislated in the Finance (No 2) Act 2023. The levy applies a 45% charge on receipts generated from the production of wholesale electricity sold at an average price in excess of £75/MWh (adjusted for inflation prospectively), exceeding an annual threshold of £10 million. The benchmark rate for 2024 was £77.94/MWh. It applies to generators whose generation exceeds 50GWh annually, as well as off-take arrangements with significant minority shareholders in such generators (e.g. generation within our Nuclear associate and potentially our off-take from that associate).

During the year, the Group's share of its Nuclear associate's EGL liabilities amounted to £86 million (31 December 2023: £41 million).

This is recorded within the share of profit after tax from associates. The Group has also made payments on account to HMRC of £80 million (31 December 2023: £285 million) in relation to its estimated EGL liabilities for its minority shareholder Nuclear offtake arrangements during the year ended 31 December 2024 and recognised an expense of £80 million (31 December 2023: £285 million) within the Group Income Statement, as part of Cost of sales.

The Group continues to determine that the accounting for the levy falls within the scope of IAS 37 'Provisions, contingent liabilities, and contingent assets' and IFRIC 21 'Levies' on the basis that the levy represents a legislative liability imposed by the Government, calculated with reference to revenue generated. The Group recognises the levy progressively over time, as the related electricity is sold. The Group also considered the applicability of IAS 12 'Income Taxes', however the EGL is based on revenue generated, and not taxable profit and is therefore outside the scope of IAS 12.

The Group continues to review the EGL legislation and its application. The EGL legislation is new, and its interpretation and application is unclear in respect of the Group's minority shareholder Nuclear offtake arrangements. As such, the extent of the levy that will ultimately be due in this regard is not yet certain, and a lower amount may eventually be determined. If this were the case, a tax deposit asset would be recorded on the Group Balance Sheet, and as a credit within Cost of sales in the Group Income Statement, when it became probable that the asset would be recoverable, in accordance with the 2019 IFRIC Agenda decision on Deposits relating to taxes other than income taxes. Given the early stage of discussions there is not yet sufficient evidence to support the probability of recovery and therefore no asset has been recorded at the balance sheet date.

There is a key source of estimation uncertainty in relation to the amount of levy the Group owes for both 2023 and 2024 of up to £150 million, related to the assessment of the proportion of generation that can be ascribed to a wholesale purchase and therefore whether a related tax deposit asset should be recorded for the recovery of payments on account made to HMRC of up to £150 million. Whilst a material change in the accounting could occur in the next financial period, ultimate resolution of this uncertainty may take a number of years.

Credit provisions for trade and other receivables

The commodity price environment during the second half of 2024 has trended upwards and macroeconomic conditions including both higher interest rates and higher inflation remain challenging.

These factors result in the assessment and adequacy of credit provisions for trade and other receivables to continue to be a key source of estimation uncertainty given that the current macroeconomic conditions are expected to increase the probability of default and the overall loss allowance . See note 16 for further information.

The Group utilises a range of factors, including both internal and external, historic and forward-looking, to assess the adequacy of the Group's credit provisions. Whilst the Group utilises a matrix output model to record provision coverage, management recognises that the model does not always adequately capture scenarios where there is a delayed impact on customer payments, such as forward-looking macroeconomic challenges. This was particularly applicable in the prior year. In the current year, the Group has continued to assess the model and has recorded a macroeconomic credit provision of £49 million (31 December 2023: £175 million) primarily on the basis that the upward trend in the commodity price environment in the second half of 2024 and resultant ability of customers to pay may not be fully reflected in the model. The assumptions included in the macroeconomic provision include the impact of the increase to Ofgem's Energy Price Cap, the continued cost-of-living challenges, higher level of interest rates and the fact that certain enforcement activity remains suspended. This results in a total credit provision for trade and other receivables at 31 December 2024 of £1,532 million (31 December 2023: £1,309 million).

3. Critical accounting judgements and key sources of estimation uncertainty

Pensions and other post-employment benefits

The cost of providing benefits under defined benefit pension schemes is determined separately for each of the Group's schemes under the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the year in which they occur. The key assumptions used for the actuarial valuation are based on the Group's best estimate of the variables that will determine the ultimate cost of providing post-employment benefits. Where a net pension scheme asset arises, recognition of the asset is permitted because the Group has an unconditional right to a refund on any winding up of the schemes or if gradual settlement of liabilities over time is assumed.

The Group's defined benefit schemes hold part of their plan asset portfolio as unquoted assets. These include private equity and property interests that are typically subject to valuation uncertainty. The valuation of these assets is based on the latest asset manager views and other relevant benchmarks.

The key source of estimation uncertainty is the assessment of the value of the pension liabilities (under IAS 19) within the scheme valuations. Key assumptions are the discount rate, inflation and life expectancy.

Further details, including sensitivities to these assumptions, are provided in note 14.

Impairment and impairment reversals of long-lived assets

The Group makes judgements in considering whether the carrying amounts of its long-lived assets (principally Upstream gas production assets, Nuclear investment (20% economic interest accounted for as an investment in associate), Batteries, Solar assets, Gas peakers and Goodwill) or cash-generating units (CGUs) are recoverable and estimates their recoverable amounts. See note 6(b) for details.

A key assumption in these judgements is forecast future commodity prices. For the first four years, observable market prices are used and thereafter an estimation of longer-term prices is required. During the year, the Group has refined the estimation methodology applied to forecasting these longer-term commodity prices. As the Group has announced its intention to invest between £600-800 million in capital expenditure annually over the next few years, including in assets with long-term commodity price exposure, it was considered important to derive a Centrica view of long-term prices to help assess both asset values and inform impairment assessments rather than continue to utilise an average of third-party comparator median curves. An internal review was conducted to map Centrica's beliefs around the evolution of each commodity market to specific, reputable, third party curve providers. This review evolved during the year and resulted in a more refined view using a balance of curve providers more aligned to our long-term view. Accordingly these long-term price assumptions are expected to help facilitate a better estimation of the recoverable amount of long-lived assets. The year-end price assumptions were broadly aligned with those that would have been calculated under the previous methodology. As a result, the outcome if the prior year methodology for deriving longer-term commodity prices was retained, would not be materially different to the new methodology used in the current year. The overall effect on future periods from this methodology change cannot be estimated because it will depend on the relative changes to future price forecasts from the third-party providers. The assets where the recoverable amount is determined by forecast future commodity prices and hence whose recoverable amounts are a key source of estimation uncertainty are:

Upstream gas assets

Forward prices for gas are a key input in the determination of the recoverable amount of the Group's gas production assets. 2024 has seen increases in the prices of this commodity, both in terms of observable market prices and forecast forward prices. Impairment headroom remains for the Group's significant fields at the year-end. As at 31 December 2024, this remains a key source of estimation uncertainty due to potential future price decreases. As a sensitivity, were gas prices in the liquid period (2025-29) to fall by 50%, a post-tax impairment of £116 million would arise. Potential future price increases give rise to less estimation uncertainty, as the recoverable amounts of the Group's gas assets are capped at depreciated historic cost.

Further details of the assumptions used in determining the recoverable amounts and sensitivities to the assumptions are provided in note 6.

Nuclear investment

The recoverable amount of the Nuclear investment is based on the value of the existing UK nuclear fleet operated by EDF. The existing fleet value is calculated by discounting pre-tax cash flows derived from the stations based on forecast power generation and power prices, whilst taking account of outages and the likely operational lives of the stations. During the year, the recoverable amount has decreased, predominantly due to a fall in power prices both on a forecast and actuals basis, offset by the impact of life extensions at four of the stations. This has resulted in an impairment of £48 million.

The key source of estimation uncertainty is power price forecasts, other input assumptions include production levels, application of the Electricity Generator Levy and station lives. Further details of these uncertainties, together with the methodology, assumptions and impairment booked during the year are provided in note 6, together with related sensitivities.

3. Critical accounting judgements and key sources of estimation uncertainty

Revenue recognition – unread gas and electricity meters
Revenue for energy supply activities includes an assessment of energy supplied to customers between the date of the last meter reading and the year-end (known as unread revenue). Unread gas and electricity comprises both billed and unbilled revenue. It is estimated through the billing systems, using historical consumption patterns, on a customer-by-customer basis, taking into account weather patterns, load forecasts and the differences between actual meter readings being returned and system estimates. Actual meter readings continue to be compared to system estimates between the balance sheet date and the finalisation of the accounts.

An assessment is also made of any factors that are likely to materially affect the ultimate economic benefits that will flow to the Group, including bill cancellation and re-bill rates. Estimated revenue is restricted to the amount the Group expects to be entitled to in exchange for energy supplied. The judgements applied, and the assumptions underpinning these judgements, are considered to be appropriate. However, a change in these assumptions would have an impact on the amount of revenue recognised. The primary source of estimation uncertainty relating to unread revenue arises in the respect of gas and electricity sales to UK downstream customers in British Gas Energy and Centrica Business Solutions, including where changes in customer behaviour in response to elevated prices affect estimated consumption. At 31 December 2024 unread revenue arising from these customers amounted to £2,732 million (2023: £2,992 million). A change in these assumptions of 2% would impact revenue and profit by £55 million. Additionally, there is some risk this change could be higher when considering the assumptions implicit in unread revenue and the extent to which revenue is constrained through the application of the IFRS 15 requirements.

Decommissioning costs
The estimated cost of decommissioning at the end of the producing lives of gas fields is reviewed periodically and is based on reserves, price levels and technology at the balance sheet date. Provision is made for the estimated cost of decommissioning at the balance sheet date. The payment dates of total expected future decommissioning costs are uncertain and dependent on the lives of the facilities, but are currently anticipated to be predominantly incurred by 2035.

The level of provision held is sensitive to both the estimated decommissioning costs (in particular for the non-operated assets and non-contracted expenditure) and the discount rate, hence each input is considered to be a key source of estimation uncertainty. During the year, there has been an increase in government gilt yields appropriate to the forecast profile of the decommissioning expenditure, and therefore the real discount rate used to discount the decommissioning liabilities at 31 December 2024 increased to 2% (31 December 2023: 1%). A 1% increase in the discount rate reduces the decommissioning liability by approximately £70 million whilst a 1% decrease in the discount rate would increase the provision by approximately £76 million. A 10% increase in forecast decommissioning costs would increase the provision by approximately £146 million.

Gas and liquids reserves
The volume of proven and probable (2P) gas and liquids reserves is an estimate that affects the unit of production method of depreciating producing gas and liquids property, plant and equipment (PP&E) as well as being a significant estimate affecting decommissioning and impairment calculations.

The impact of a change in estimated 2P reserves is dealt with prospectively by depreciating the remaining book value of producing assets over the expected future production. If 2P reserves estimates are revised downwards, earnings could be affected by higher depreciation expense or an immediate write-down (impairment) of the asset's book value. A change in reserves estimates could also change the timing of decommissioning activity, which could change the carrying value of the Group's provisions. The complex interaction of field-specific factors means that it is not possible to give a meaningful sensitivity of the Group's financial position or performance to gas and liquids reserves estimates. The factors impacting gas and liquids estimates, the process for estimating reserve quantities and reserve recognition and details of the Group's 2P reserves are given on page 81. Details of impairments of exploration and production fields and goodwill, along with associated sensitivities, are given in note 6.

Determination of fair values – energy derivatives
The fair values of energy derivatives classified as Level 3 in accordance with IFRS 13 'Fair Value Measurement' are determined to be a key source of estimation uncertainty as they are not actively traded and their values are estimated by reference in part to published price quotations in active markets and in part by using complex valuation techniques. The key source of estimation uncertainty is future commodity prices and their inclusion in the reliable estimation of the unobservable components of the Group's Level 3 derivatives in an elevated and volatile commodity price environment.

Climate change
In preparing the financial statements, the Directors have considered the impact of climate change in the context of the risks and opportunities. There has been no material impact identified on the financial reporting judgements and estimates. The Directors specifically considered the impact of climate change in the following areas:

- Cash flow forecasts used in the impairment assessment of non-current assets, including goodwill
- Carrying value and useful economic lives of property, plant and equipment;
- Recoverability of deferred tax assets; and
- Going concern and viability of the Group over the next three years.

Whilst there is no short-term impact expected from climate change, the Directors are aware of the risks and regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

Further detail is provided in the 'Climate change' note below.

3. Critical accounting judgements and key sources of estimation uncertainty

(c) Climate change

The Group's assessment of how climate-related issues might affect the business has been integrated into its annual strategic and financial planning process. At the same time, the Group reviews the potential impact of the material risks and opportunities and its Climate Transition Plan on both the current balance sheet position and its accounting policies (including the useful economic lives of its assets).

Summary of our most material risks & opportunities

Climate related trend	Potential impact
Transition away from fossil fuelled heating	Risk: Reduced GM from the sale and servicing of natural gas residential boilers and commercial Combined Heat and Power (CHP) units
Growth in low carbon heating market	Opportunity: Increased sales and servicing of electric and hydrogen fuelled heating systems Associated opportunities in fabric upgrade including insulation
Transition away from natural gas and energy efficiency	Risk: Reduced GM from the sale of natural gas and energy efficiency
Growth in low carbon heating market	Opportunity: Increased sales of electricity and green or low carbon hydrogen
Growth of EV transport market	Opportunity: Access to new and growing value pools related to EV charging installations, operation and maintenance (O&M) alongside energy supply
Growth in demand for renewable energy	Opportunity: Strong growth in solar and battery markets driven by decarbonisation
Rising mean temperatures	Risk: Reduced sales of natural gas and electricity for heat

IFRS dictates how each asset or liability should be accounted for (e.g. cost, fair value or other measurement criteria) and accordingly, there is a fundamental difference between the holistic forward-looking risk and opportunities business analysis, and the possible sensitivity of current accounting carrying values to these risks and opportunities.

For example, whilst the activity of supplying gas to customers or servicing/installing gas boilers is clearly subject to climate-related risks (and opportunities), the balance sheet does not reflect an overall value of those businesses (aside from an element of goodwill). Instead, accounting balances related to these businesses generally manifest themselves in short-term working capital assets and liabilities associated with procuring and selling gas or servicing/installing boilers; with those balances generally settled within six months and so specifically less exposed to climate risks.

In a similar vein, Upstream assets are tested for impairment in accordance with relevant IFRS accounting standards. These generally require the recoverable amount of the asset to be calculated based on a best estimate of long-term forecast commodity prices, which the Group estimates based on current market prices and Centrica's view of long-term prices using a balance of reputable commodity pricing consultants' forecasts. However, these estimates are not consistent with net zero scenarios from the consultants (as they do not factor in any prospective, yet to be announced legislative or market changes that would be required to meet temperature targets) and hence impairment reviews are not based on net zero scenario forward prices. The Group instead discloses the impact on the carrying value of Upstream assets by way of sensitivity analysis (see note 6(c)).

3. Critical accounting judgements and key sources of estimation uncertainty

Accordingly, the Group is mindful of these dynamics when it considers which areas of the balance sheet are exposed to key estimation uncertainty from climate-related issues. The Group considers which assets are most exposed to impairment from climate risks and similarly whether there are any liabilities that are either currently unrecognised or might increase as a result of those risks.

The Group's assets/liabilities have been segmented into three tranches, grading each balance's exposure to climate risks/ opportunities:

(i) Higher risk – As the consumption of gas and power is intrinsically linked to carbon emissions, their pricing is consequently exposed to climate and legislative risk. Accordingly, where assets or contract values have a key dependency on commodity price assumptions, those assets (or contracts) are deemed higher risk.

(ii) Medium risk – Gross margin energy transition considerations and their potential impact on forward-looking balances (e.g. Supply and Services and Energy Trading goodwill) and decommissioning balances in E&P.

(iii) Lower risk – No significant risk identified on the basis that positions are short-term in nature or are specifically linked to the energy transition or are immaterial.

The key non-current asset (and decommissioning provision) balance sheet items have been presented in more granular detail below, together with the groupings into the above risks and with rationale set out below the table:

As at 31 December 2024 (£m):	Goodwill	Intangibles	Investment in associates	Property, plant & equipment	Deferred tax assets	Decommissioning provision
Energy Supply	277					
Application software		104				
Meter assets				112		
Energy Services	63					
Brand (mainly Dyno-Rod)		57				
Application software		114				
Battery storage				116		
Electric vehicles (vans/cars)				45		
Non-Electric vehicles (vans/cars)				41		
Energy Trading	138					
Application software		26				
LNG vessel leases				70		
Gas Assets (E&P and Storage)						
E&P fields (Spirit)				789	142	(1,139)
E&P tax losses (Spirit)					54	
Gas storage facility (Rough)				–	149	(302)
Power Assets						
Nuclear investment			794			
Gas-fired power stations/engines (i)				365		(18)
Combined Heat and Power (CHP)/other power assets				60		
Solar				40		
Group/Other						
Customer relationships		17				
Land & buildings (ii)				139		
Derivatives deferred tax (ii)					20	
Other (ii)				82	(26)	
Total	478	318	794	1,859	339	(1,459)

(i) The Property, plant and equipment balance includes £269 million in Bord Gáis, and £96 million in Centrica Business Solutions.
(ii) Land & buildings, Other Derivatives deferred tax and Other Property, plant & equipment/Deferred tax have not been allocated out across business type, and includes a £19 million elimination adjustment of internal margin and indirect costs on smart meter installation capitalised in the meter asset provider business within British Gas Energy. See note 5.

Higher
Medium
Lower

3. Critical accounting judgements and key sources of estimation uncertainty

All items noted above may be impacted by climate-related risks but are not currently considered to be key areas of judgement or sources of estimation uncertainty in the current financial year.

Higher risk

E&P field valuations are dependent on forecast commodity prices. Climate change risk means that there is uncertainty over gas demand and forecast prices. This climate change risk is not currently a key source of estimation uncertainty because current liquid commodity prices mean that there is impairment headroom over current carrying values. Nonetheless, valuation sensitivity information based on a net zero price forecast has been provided in note 6(c) to show field values can move significantly. (Note that the Group's intention is to run-off remaining fields with most production forecast in the next five years. Decommissioning obligations will be substantively met by the early 2030s, whilst further investment in exploring for new gas fields has ceased.) Recoverability of E&P deferred tax assets associated with historic losses is dependent on future field profitability and so is subject to climate change risk.

The valuation of the investment in Nuclear is also highly dependent on forecast commodity prices. Climate change risks and opportunities means there is uncertainty over electricity demand and forecast prices. The underlying Nuclear stations, which produce electricity with no carbon emissions, have different useful economic lives, with the last station forecast to cease operating in 2055. Valuation sensitivity information based on a net zero price forecast has been provided in note 6(c).

Medium risk

The Group's gas-fired power stations and engines (including Gas peakers) are exposed to climate change risk, with valuations dependent on forecast gas and electricity prices and electricity demand. However, they are deemed medium risk as a significant proportion of the overall carrying value relates to the Irish single electricity market, where the characteristics of the market and the capacity arrangements provide additional risk mitigation.

Similarly the Group's investment in CHP and other power assets are also exposed to climate risk. They have useful economic lives of up to 40 years but they do not, individually or in total, have material carrying values.

The Group's meter assets are exposed to climate change risk because they record usage of both gas and power. They are deemed medium risk because they are subject to contractual arrangements that provide for ongoing revenue security from suppliers.

LNG Vessels on the balance sheet are exposed to risk from climate change, but as they are leased assets with the current term remaining less than five years, this risk is reduced to medium.

The Group is in the process of transitioning to an electrified vehicle fleet. Non-electric vehicles are deemed medium risk because their remaining useful economic lives are generally quite short.

Decommissioning provisions are generally longer-term but this could be brought forward for E&P and Storage assets if the energy transition accelerates. However, as the decommissioning discount rate is only 2% (real), the balance sheet and income statement impact of earlier decommissioning would not be material.

Deferred tax associated with field accelerated capital allowances and decommissioning in E&P and Storage is not considered high risk due to the length of carry-back rules for decommissioning and the mechanical unwind of other temporary differences. Deferred tax assets associated with derivatives are considered medium risk as the derivatives generally realise within two years.

Energy Supply, Energy Services and Energy Trading Goodwill and Application Software are categorised as medium risk because the businesses are exposed to energy transition risk as a result of climate change. However, there are also significant opportunities for these businesses and the carrying values are not material.

Lower risk

All other assets denoted in the table above are considered lower risk because they are either specifically related to the energy transition (e.g. electric vehicles, battery storage, solar) or are immaterial. Note that designation as Lower risk does not mean these assets are not at risk of impairment (e.g. from reduced residual values or commodity price movements) but instead is an assessment of specific exposure to climate change risks.

Other contracts

The Group also has long-term LNG supply contracts with Cheniere, Delfin, Mozambique and Repsol. These are not reflected on the balance sheet but the Group has certain purchase commitments. The Group also has two long-term gas sale and purchase agreements with Coterra Energy, which similarly has long-term commitments (see note 18). The contracts currently have significant value (when considered together) because of gas price locational spreads but are exposed to climate-change risk and therefore could ultimately become onerous in net zero scenarios. The commitments note provides detail of the length of the contracts and commodity purchase commitments.

4. Risk Management

The Group's normal operating, investing and financing activities expose it to a variety of risks. Risk management is fundamental to the way the Group is governed and managed. The system of risk management and internal control is set out in the 2023 Annual Report and Accounts.

During 2024, the risks that were prioritised for leadership attention related to:

- exposure to counterparty/customer/third party default or a credit event limiting the availability of financial facilities or unsecured credit lines resulting in financial losses and exposure to events which consume available group liquidity resources;
- risk of financial loss, both in terms of short-term profitability and long-term asset valuations, due to trends and volatilities in commodity prices;
- unusually warm or cold conditions could lead to unexpected changes in energy demand from customers, which may reduce present or future profitability of the Group;
- political or regulatory intervention, potential changes or failure to comply with laws and regulations which may create a more uncertain operating environment that may lead to greater regulatory scrutiny, and inhibits the ability to invest in and allocate resources to markets or activities, impacting financial stability and reputation of the Group;
- risk of unfavourable market, regulatory and policy changes driven by climate change, which could affect the ability to execute the Group's strategy effectively;
- economic pressures, regulatory changes, and high levels of service demand could mean that the Group is unable to consistently deliver satisfactory customer service, which could result in increased complaints or loss of customers;
- risk of failure to attract, develop, engage, and retain key talent, which could impact the Group's ability to achieve strategic objectives;
- risk of occupational, transportation, customer, or third party fatality or injury due to safety hazards associated with its operations;
- risk of a successful cyber-attack on the Group's systems which could present as follows:
  - leakage of customer or Company confidential data by threat actor, third party, staff or system error, either maliciously or by accident;
  - inaccuracy of Centrica's data due to malicious or inadvertent alteration by internal or external parties, or malicious actors; and
  - operational disruption and loss assets, including data, due to a cyber compromise
- impaired structural or asset integrity, resulting from any failure in design, maintenance, inspection or operation, could lead to a major accident (such as loss of containment of flammable/hazardous materials or structural collapse) which may result in multiple fatalities, major damage to the environment, and/or significant operational disruption, in addition to revenue losses and reputational damage.

During 2024, an enhancement programme was initiated, including strategic risk workshops with the Centrica Leadership Team (CLT), business units and group functions to ensure the Group's risk management identification remains agile, forward-looking, and aligned with Centrica's strategic priorities.

Cost of living challenges and sustained high energy prices continued to affect our customers' ability to pay their bills with high levels of fuel poverty and bad debt persisting. We continue to implement measures to support and work with our customers to prevent and manage their debt.

European wholesale power and gas market volatility further reduced compared to 2023, falling back in line with levels previously seen prior to the Ukraine crisis. Nevertheless, prices on average steadily increased over the second half of the year. This increase was driven by the threat, and subsequent reality, of Russia terminating the remaining gas supplies into Europe via Ukraine, as well as increased Liquefied Natural Gas (LNG) demand from Asia resulting in cargoes diverting from Europe.

During 2024, Centrica successfully refinanced the £450 million hybrid bond with a new £405 million hybrid bond and bought back £370 million of 2033 senior debt. Both activities have further strengthened the balance sheet. Additionally, Centrica successfully extended £2.5 billion of committed credit facilities with relationship banks by a further year resulting in £1 billion of facilities with a maturity in 2027 and £1.5 billion with a maturity in 2029. Centrica also maintains a $3 billion US Commercial Paper programme to support short term liquidity requirements and periodically issues into this market to provide confidence in its ability to access this source of funding.

Credit risk exposures were managed within Group Credit Risk limits and remained broadly stable at an aggregate level. Some smaller sized, highly leveraged counterparties were adversely affected during the period of higher interest rates, and Centrica's exposures to these counterparties were actively monitored and managed through 2024. Secondary risk to UK third party default is slightly heightened from 2023, but lower than the peak seen in the 2020-2021 period.

4. Risk management

Financial risks are assessed at a Business Unit (BU) level to determine the impact and likelihood. During the BU and Group level risk reviews, the adequacy of mitigating actions are considered given the net residual risk scores in comparison to the Group risk appetite.

Bi-annually, the Group Financial Risks are presented to the CLT for review and challenge. These include the aggregate risk assessments from the BU 'bottom-up' process and any Group level risk assessments. All Group Principal Risks including Financial risks as updated by the CLT are presented to the Audit and Risk Committee for review.

The four main areas of financial risk are managed as follows:

(i) commodity price risk management is carried out in accordance with business unit policies, as approved by the Group Hedging Policy Committee;

(ii) treasury risk management, including management of currency risk, interest rate risk and liquidity risk is carried out by the Group Treasury function in accordance with the Group's Financing and Treasury policy, as approved by the Board;

(iii) wholesale credit risks associated with commodity trading and treasury positions are managed in accordance with the Group's Credit Risk Policy, as approved by the Group CFO; and

(iv) downstream customer credit risk management is carried out in accordance with the Group Commercial and Industrial Credit Policy, as approved by the Group CFO.

Credit risk for financial assets

Credit risk is the risk of loss associated with a counterparty's inability or failure to discharge its obligations under a contract. The Group continually reviews its rating thresholds for relevant counterparty credit limits and updates these as necessary, based on a consistent set of principles. It continues to operate within its limits. In respect of trading activities across Europe there is an effort to maintain a balance between exchange-based trading and bilateral transactions. This allows for a reasonable balance between counterparty credit risk and potential liquidity requirements. In addition, the Group actively manages the trade-off between credit and liquidity risks by optimising the use of contracts with collateral obligations and physically settled contracts without collateral obligations.

Liquidity risk management and going concern

The Group has a number of treasury and risk policies to monitor and manage liquidity risk. Cash forecasts identifying the Group's liquidity requirements are produced regularly and are stress tested for different scenarios, including, but not limited to, reasonably possible increases or decreases in commodity prices and the potential cash implications of a credit rating downgrade. The Group seeks to ensure that sufficient financial headroom exists for at least a twelve-month period to safeguard the Group's ability to continue as a going concern, and as at the reporting date, the analysis performed by the Group extends to 31 December 2027. It is the Group's policy to maintain committed facilities and/or available surplus cash resources of at least £1,500 million, raise at least 75% of its gross debt (excluding non-recourse debt) in the capital market and to maintain an average term to maturity in the recourse long-term debt portfolio greater than five years.

At 31 December 2024 the Group had undrawn committed credit facilities of £3,293 million (2023: £3,784 million) and £5,578 million (2023: £5,525 million) of unrestricted cash and cash equivalents, net of outstanding overdrafts. 77% (2023: 80%) of the Group's gross debt has been raised in the long-term debt market and the average term to maturity of the long-term debt portfolio was 9.6 years (2023: 10.5 years). The Group's liquidity is impacted by the cash posted or received under margin and collateral agreements. The terms and conditions of these agreements depend on the counterparty and the specific details of the transaction. Margin/collateral is generally posted or received to support energy trading and procurement activities. It is posted when contracts with marginable counterparties are out of the money and received when contracts are in the money. Cash is generally returned to the Group or by the Group within two days of trade settlement. At 31 December 2024 the collateral position was as follows:

31 December	2024 £m	2023 £m
Collateral (received)/posted included within:		
Trade and other payables	**(162)**	(184)
Trade and other receivables	**191**	260
Collateral posted extinguishing:		
Net derivative liabilities (i)	**76**	164
Net collateral posted (ii)	**105**	240

(i) Variation margin on daily settled derivatives results in the extinguishment of the net derivative asset/liability. These contracts remain outstanding until a future delivery date, and therefore the cumulative daily settlement is considered collateral until that fulfilment date.

(ii) In-year movements of net collateral posted include a foreign exchange adjustment of £4 million debit (2023: £2 million credit).

The Group utilises initial margin waiver facilities to help manage its liquidity and working capital position in relation to derivative trading. For certain types of trade, initial margin is a requirement before entering into a transaction, as it provides credit assurance for the exchange. As initial margin is not a liability of the Group and is refundable, it is reflected as a margin asset on the Group's balance sheet. Accordingly, where counterparties waive any requirement to post initial margin, the Group has no liability.

The level of undrawn committed bank facilities and available cash resources has enabled the Directors to conclude that the Group has sufficient headroom to continue as a going concern.

5. Segmental analysis

The Group's reporting segments are those used internally by management to run the business and make decisions. The Group's segments are based on products and services as well as the major factors that influence the performance of these products and services across the geographical locations in which the Group operates.

(a) Segmental structure

The types of products and services from which each reportable segment derived its income during the year are detailed below. All reportable segments are operating segments. Income sources are reflected in total Group revenue unless otherwise stated:

Segment	Description
British Gas Services & Solutions	• The installation, repair and maintenance of domestic central heating and related appliances (including smart meters), and the provision of fixed-fee maintenance/breakdown service and insurance contracts in the UK; and • the supply of new technologies and energy efficiency solutions in the UK.
British Gas Energy	• The supply of gas and electricity to residential and small business customers in the UK; and • the smart meter asset provider business.
Bord Gáis Energy	• The supply of gas and electricity to residential, commercial and industrial customers in the Republic of Ireland; • the installation, repair and maintenance of domestic central heating and related appliances in the Republic of Ireland; • the procurement, trading and optimisation of energy in the Republic of Ireland [(i)]; and • power generation in the Republic of Ireland.
Centrica Business Solutions	• The supply of gas and electricity to business customers in the UK [(i)]; • the supply of energy services and solutions to large organisations in the UK, Europe and North America; and • the development and operation of large-scale power assets in the UK and Europe.
Centrica Energy	• The procurement, trading and optimisation of energy in the UK and Europe [(i)]; and • the global procurement and sale of LNG.
Upstream	• The production and processing of gas and liquids principally within Spirit Energy [(i)]; • the sale of power generated from nuclear assets in the UK; and • gas storage in the UK.

(i) Where income is generated from contracts in the scope of IFRS 9, this is included in re-measurement and settlement of derivative energy contracts.

5. Segmental analysis

(b) Revenue

Gross segment revenue includes revenue generated from the sale of products and services to other reportable segments of the Group. Total Group revenue reflects only the sale of products and services to third parties. Sales between reportable segments are conducted on an arm's length basis.

	2024			2023		
Year ended 31 December	Gross segment revenue £m	Less inter-segment revenue £m	Total Group revenue £m	Gross segment revenue £m	Less inter-segment revenue £m	Total Group revenue £m
British Gas Services & Solutions	1,563	(136)	1,427	1,597	(57)	1,540
British Gas Energy	12,065	—	12,065	17,742	—	17,742
Bord Gáis Energy	1,271	—	1,271	1,815	—	1,815
Centrica Business Solutions	2,551	(8)	2,543	3,522	(6)	3,516
Centrica Energy	6,128	(405)	5,723	7,732	(476)	7,256
Upstream	2,628	(1,021)	1,607	2,935	(1,430)	1,505
Total Group revenue included in business performance	26,206	(1,570)	24,636	35,343	(1,969)	33,374
Less: revenue arising on contracts in scope of IFRS 9 included in business performance			(4,723)			(6,916)
Total Group revenue			19,913			26,458

The table below shows the total Group revenue arising from contracts with customers, and therefore in the scope of IFRS 15, and revenue arising from contracts in the scope of other standards. The key economic factors impacting the nature, timing and uncertainty of revenue and cash flows are considered to be driven by the type and broad geographical location of the customer. The analysis of IFRS 15 revenue below reflects these factors.

	2024				
Year ended 31 December	Revenue from contracts with customers in scope of IFRS 15 [(i)] £m	Revenue from fixed-fee service and insurance contracts in scope of IFRS 17, and leasing contracts in scope of IFRS 16 £m	Total Group revenue £m	Revenue in business performance arising from contracts in scope of IFRS 9 £m	Total Group revenue included in business performance £m
Energy services and solutions	627				
British Gas Services & Solutions	627	800	1,427	—	1,427
Energy supply - UK	12,065				
British Gas Energy	12,065	—	12,065	—	12,065
Energy supply - Republic of Ireland	1,021				
Bord Gáis Energy	1,021	—	1,021	250	1,271
Energy supply - UK	1,963				
Energy services	182				
Centrica Business Solutions	2,145	2	2,147	396	2,543
Energy sales to trading and energy procurement counterparties	3,077				
Centrica Energy	3,077	15	3,092	2,631	5,723
Gas and liquid production	161				
Upstream	161	—	161	1,446	1,607
	19,096	817	19,913	4,723	24,636

(i) As part of the finalisation process of the government support schemes, revenue of £21 million was reversed during the year in relation to the Energy Price Guarantee scheme for domestic customers in the British Gas Energy segment. During 2023, revenue of £3,698 million was recognised in relation to this scheme, whilst it was ongoing. A further £13 million (2023: £448 million) of revenue has been recognised in respect of non-domestic schemes. £8 million (2023: £320 million) of this total relates to Centrica Business Solutions customers and £5 million (2023: £128 million) relates to non-domestic customers in the British Gas Energy segment.

5. Segmental analysis

	2023				
	Revenue from contracts with customers in scope of IFRS 15 £m	Revenue from fixed-fee service and insurance contracts in scope of IFRS 17, and leasing contracts in scope of IFRS 16 £m	Total Group revenue £m	Revenue in business performance arising from contracts in scope of IFRS 9 £m	Total Group revenue included in business performance £m
Energy services and solutions	727				
British Gas Services & Solutions	727	813	1,540	—	1,540
Energy supply - UK	17,742				
British Gas Energy	17,742	—	17,742	—	17,742
Energy supply - Republic of Ireland	1,438				
Bord Gáis Energy	1,438	—	1,438	377	1,815
Energy supply - UK	2,232				
Energy services	208				
Centrica Business Solutions	2,440	4	2,444	1,072	3,516
Energy sales to trading and energy procurement counterparties	3,132				
Centrica Energy	3,132	29	3,161	4,095	7,256
Gas and liquid production	133				
Upstream	133	—	133	1,372	1,505
	25,612	846	26,458	6,916	33,374

Geographical analysis of revenue and non-current assets

The Group monitors and manages performance by reference to its operating segments and not solely on a geographical basis. However, provided below is an analysis of revenue and certain non-current assets by geography.

	Total Group revenue (based on location of customer)		Non-current assets (based on location of assets) (i)	
Year ended 31 December	**2024 £m**	2023 £m	**2024 £m**	2023 £m
UK	**16,240**	22,207	**2,860**	2,875
Republic of Ireland	**1,021**	1,438	**325**	229
Europe (excluding UK and Republic of Ireland)	**1,423**	1,733	**376**	484
Rest of the world	**1,229**	1,080	**15**	12
	19,913	26,458	**3,576**	3,600

(i) Non-current assets comprise goodwill, other intangible assets, PP&E, interests in joint ventures and associates and non-financial assets within trade and other receivables, and contract-related assets.

5. Segmental analysis

(c) Adjusted gross margin and adjusted operating profit

The measure of profit used by the Group is adjusted operating profit. Adjusted operating profit is operating profit before exceptional items and certain re-measurements. This includes business performance results of equity-accounted interests. This note also details adjusted gross margin. Both measures are reconciled to their statutory equivalents.

	Adjusted gross margin		Adjusted operating profit	
Year ended 31 December	**2024 £m**	2023 £m	**2024 £m**	2023 £m
British Gas Services & Solutions	**633**	616	**67**	47
British Gas Energy	**1,521**	2,141	**297**	751
Bord Gáis Energy	**207**	139	**63**	1
Centrica Business Solutions	**258**	309	**73**	104
Centrica Energy	**536**	1,016	**307**	774
Upstream	**681**	999	**789**	1,083
Segmental adjusted gross margin/adjusted operating profit	**3,836**	5,220	**1,596**	2,760
Reconciling items to Group Income Statement:				
Colleague profit share (i)	**(9)**	(3)	**(25)**	(8)
Meter asset provider consolidation adjustment (ii)	**(19)**	—	**(19)**	—
Total Group adjusted gross margin/adjusted operating profit	**3,808**	5,217	**1,552**	2,752
Certain re-measurements (note 6):				
Onerous energy supply/LNG contract provision movement	**(142)**	833	**(142)**	833
Derivative contracts	**421**	3,573	**421**	3,573
Share of re-measurement of certain associates' energy contracts (net of taxation)	**—**	—	**—**	(1)
Gross profit	**4,087**	9,623		
Exceptional items in operating profit			**(128)**	(645)
Operating profit after exceptional items and certain re-measurements			**1,703**	6,512

(i) The impact of the colleague profit share is excluded because management considers it unrelated to segmental business performance.

(ii) In accordance with IFRS 8, Segmental adjusted gross margin and adjusted operating profit are presented as managed by the Board (Chief Operating Decision Maker) and accordingly the internal margin and indirect costs on smart meter installation recognised by British Gas Services & Solutions and subsequently capitalised in the meter asset provider business within British Gas Energy, are eliminated on consolidation and reported as a reconciling item to the Group Income Statement.

5. Segmental analysis

(d) Included adjusted operating profit

Presented below are certain items included within adjusted operating profit, including a summary of impairments of property, plant and equipment and intangibles.

Year ended 31 December	Depreciation and impairments of property, plant and equipment 2024 £m	Depreciation and impairments of property, plant and equipment 2023 £m	Amortisation and impairments of intangibles 2024 £m	Amortisation and impairments of intangibles 2023 £m
British Gas Services & Solutions	**(31)**	(42)	**(12)**	(12)
British Gas Energy	**(5)**	(3)	**(37)**	(54)
Bord Gáis Energy	**(8)**	(9)	**(8)**	(11)
Centrica Business Solutions	**(12)**	(11)	**(12)**	(26)
Centrica Energy	**(29)**	(30)	**(10)**	(18)
Upstream	**(288)**	(281)	**—**	—
Other (i)	**(36)**	(28)	**(8)**	(17)
	(409)	(404)	**(87)**	(138)

(i) The Other segment includes corporate functions, subsequently recharged.

Impairments of property, plant and equipment

During 2024, £22 million of impairments of property, plant and equipment (2023: £9 million) were recognised within business performance

Impairments of intangible assets

During 2024, £1 million of impairments of other intangible assets (2023: £15 million) were recognised within business performance.

5. Segmental analysis

(e) Capital expenditure

Capital expenditure represents additions, other than assets acquired as part of business combinations or asset purchase agreements, to property, plant and equipment and intangible assets. Capital expenditure has been reconciled to the related cash outflow.

	Capital expenditure on property, plant and equipment		Capital expenditure on intangible assets other than goodwill	
Year ended 31 December	**2024 £m**	2023 £m	**2024 £m**	2023 £m
British Gas Services & Solutions	**11**	45	**19**	32
British Gas Energy	**114**	—	**628**	565
Bord Gáis Energy	**119**	69	**3**	7
Centrica Business Solutions	**133**	80	**206**	193
Centrica Energy	**7**	5	**9**	14
Upstream	**51**	95	**28**	18
Other	**37**	79	**—**	—
Segmental capital expenditure	**472**	373	**893**	829
Meter asset provider consolidation adjustment (i)	**(19)**	—	**—**	—
Total Group Capital Expenditure	**453**	373	**893**	829
Capitalised borrowing costs (note 7)	**(11)**	(2)	**—**	—
Inception of new leases and movements in payables and prepayments related to capital expenditure	**(62)**	(89)	**(1)**	4
Purchases of emissions allowances and renewable obligation certificates (ii)	**—**	—	**(856)**	(780)
Net cash outflow	**380**	282	**36**	53

(i) In accordance with IFRS 8, Segmental capital expenditure is presented as managed by the Board (Chief Operating Decision Maker) and accordingly the internal margin and indirect costs on smart meter installation recognised by British Gas Services & Solutions and subsequently capitalised in the meter asset provider business within British Gas Energy is eliminated on consolidation and reported as a reconciling item to Total Group capital expenditure.

(ii) Purchases of emissions allowances and renewable obligation certificates of £624 million (2023: £565 million) in British Gas Energy, £204 million (2023: £193 million) in Centrica Business Solutions, £28 million (2023: £18 million) in Upstream, and £nil (2023: £4 million) in Centrica Energy.

5. Segmental analysis

(f) Free cash flow

Free cash flow is used by management to assess the cash-generating performance of each segment, after taking account of the need to maintain its capital asset base. By excluding deficit reduction payments and movements in collateral and margin cash, which are predominantly triggered by wider market factors, and in the case of collateral and margin movements, represent timing movements, free cash flow is used by management as an adjusted measure of the cash generation of the business. Free cash flow excludes investing cash flows that are related to adjusted net cash/debt. This measure is reconciled to the net cash flow from operating and investing activities.

Year ended 31 December	2024 £m	2023 £m
British Gas Services & Solutions	**102**	64
British Gas Energy (i)	**(303)**	302
Bord Gáis Energy	**(35)**	(146)
Centrica Business Solutions	**(3)**	220
Centrica Energy (ii)	**649**	1,354
Upstream (iii)	**1,215**	1,236
Other (iv)	**—**	(20)
Segmental free cash flow excluding tax	**1,625**	3,010
Taxes paid	**(636)**	(803)
Total free cash flow	**989**	2,207
UK pension deficit payments (note 14)	**(176)**	(180)
Movements in variation margin and collateral (note 4)	**131**	585
Interest received	**317**	267
Settlement of securities (note 11)	**400**	—
Purchase of securities (note 11)	**(19)**	(12)
	1,642	2,867
Net cash flow from operating activities	**1,149**	2,752
Net cash flow from investing activities	**493**	115
Total cash flow from operating and investing activities	**1,642**	2,867

(i) British Gas Energy free cash flow in 2024 includes working capital outflows of £533 million driven by settling prior year commodity costs and refunding customer credit balances, both largely related to the impact of falling commodity prices. British Gas Energy free cash flow in 2023 includes significant working capital outflows of approximately £500 million largely related to the impact of falling commodity prices.

(ii) Centrica Energy free cash flow in 2024 includes operating cash inflows of £325 million (2023: £580 million) driven by profit on prior year derivative positions cash settling during the year.

(iii) Upstream free cash flow in 2024 includes inflows of £355 million (2023: £220 million) relating to dividends received from joint ventures and associates.

(iv) The Other segment includes corporate functions.

6. Exceptional items and certain re-measurements

(a) Certain re-measurements

Certain re-measurements are the fair value movements on energy contracts entered into to meet the future needs of our customers or to sell the energy produced from our upstream assets. These contracts are economically related to our upstream assets, capacity/offtake contracts or downstream demand, which are typically not fair valued, and are therefore separately identified in the current period and reflected in business performance in future periods when the underlying transaction or asset impacts the Group Income Statement.
If the future costs to fulfil customer supply contracts, including the mark-to-market reversal of any energy hedging contracts entered into to meet this demand, exceed the charges recoverable from customers, an onerous contract provision will be recognised. Similarly, if the future revenues from LNG procurement contracts, including the mark-to-market reversals of hedging contracts entered into related to these purchases, do not exceed the purchase cost, an onerous contract provision will be recognised. Because the associated, unrealised hedging gains or losses will be recognised in certain re-measurements, the movements in these onerous provisions will also be recognised in certain re-measurements.

Year ended 31 December	2024 £m	2023 £m
Certain re-measurements recognised in relation to energy contracts:		
Net gains arising on delivery of contracts	377	3,529
Net gains arising on market price movements and new contracts	44	44
Net re-measurements included within gross profit before onerous supply contract provision	421	3,573
Onerous energy supply and LNG contracts provision movement (i)(ii)	(142)	833
Net re-measurements included within gross profit	279	4,406
Net loss arising on re-measurement of certain associates' contracts (net of taxation)	—	(1)
Net re-measurements included within Group operating profit	279	4,405
Taxation on certain re-measurements (note 8) (ii)	161	(1,649)
Certain re-measurements after taxation	440	2,756

(i) The onerous energy supply contract provision is based on the future costs to fulfil customer contracts on a current market price basis. This provision had fully unwound by 31 December 2023 and remains at £nil on 31 December 2024. However, the acquisition of AvantiGas ON Limited in 2022, included an opening balance sheet onerous contract provision, which is unwound to the business performance column of the Group Income Statement on a pre-determined acquisition date basis, to ensure this column reflects the true profit/loss relative to the acquisition date values. At each reporting date, the closing balance sheet value of the onerous contract provision is then updated to reflect actual market prices, with the required remaining movement in the provision posted to the certain re-measurements column. Because commodity prices generally fell after the 2022 acquisition, this meant that balance sheet onerous contract provision fell more quickly than originally expected. This led to a £69 million onerous contract provision movement credit in certain re-measurements column in 2023. Accordingly, there is a £60 million debit in this column in 2024, as this position has now mostly unwound. See note 2(b) for further details.

(ii) The onerous LNG contracts provision movement amounted to £82 million debit (2023: £nil). Cumulatively over time the onerous energy supply and LNG contracts provision movement will net to £nil. See notes 2(b) and 3(a) for further details.

(iii) Taxation on onerous energy supply and LNG contracts provision movement amounted to a £35 million credit (2023: £196 million debit) and taxation on other certain re-measurements amounted to a £126 million credit (2023: £1,453 million debit).

Year ended 31 December	2024 £m	2023 £m
Total re-measurement and settlement of derivative energy contracts	(4,062)	(6,175)
Excluding:		
IFRS 9 business performance revenue	(4,723)	(6,916)
IFRS 9 business performance cost of sales	9,206	16,664
Unrealised certain re-measurements recognised in relation to energy contracts included in gross profit	421	3,573
Onerous contract provision movement (cost of sales)	(142)	833
Total certain re-measurements	279	4,406

The table below reflects the certain re-measurement derivative movements by business segment:

Year ended 31 December	2024 £m	2023 £m
UK Energy Supply (British Gas Energy and Centrica Business Solutions)	1,975	506
Upstream/Centrica Energy/Bord Gáis	(1,554)	3,067
Unrealised certain re-measurements recognised in relation to energy contracts included in gross profit	421	3,573

6. Exceptional items and certain re-measurements

(b) Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. Items which may be considered exceptional in nature include disposals of businesses or significant assets, business restructuring, pension change costs or credits, significant debt repurchase costs and asset impairments and write-backs.

Year ended 31 December	2024 £m	2023 £m
Impairment of power assets (i)	**(75)**	(563)
Impairment of gas storage asset	**—**	(82)
Legacy contract costs (ii)	**(53)**	—
Exceptional items included within Group operating profit (iii)	**(128)**	(645)
Debt repurchase costs included within financing costs (iv)	**(68)**	—
Exceptional items included within Group profit before taxation	**(196)**	(645)
Net exceptional item taxation (note 8) (v)	**78**	54
Total exceptional items recognised after taxation	**(118)**	(591)

(i) In the Upstream segment, an impairment of the Nuclear investment of £48 million (post-tax £48 million) (2023: £549 million (post-tax £549 million)) has been recorded predominantly as a result of the reduction in both forecast and actual power prices partially offset by life extensions at four stations. In the Centrica Business Solutions segment, an impairment of £27 million (post-tax £20 million) (2023: £14 million (post-tax £11 million)) has been recorded, predominantly related to Battery storage and Solar assets, also following lower forecast power price capture, together with an increase in discount rate and an increase to operating and capital expenditure forecasts. See note 6(c).

(ii) Contracts associated with business activity that ceased a number of years ago, predominantly related to construction services, have led to an increase in provisions of £53 million (post-tax £45 million) during the period.

(iii) Exceptional items for 2024 included within Group operating profit, are non-cash. The cash flows recorded as payments relating to exceptional charges of £6 million (2023: £6 million) in the Group Cash Flow Statement relate to previous years' exceptional restructuring costs.

(iv) Exceptional financing costs have been recognised in relation to debt repurchase and refinancing exercises. £370 million of debt instruments have been repurchased in advance of their maturity date. Due to the premium paid above existing carrying value, and transaction fees, a one-off cost in the Group Income Statement of £50 million (post-tax £38 million) has been incurred. Refinancing of the 2075 hybrid bond, designated in a fair value hedge relationship, and with a carrying-value of £435 million, and repayment value of £453 million (including fees), has resulted in a one-off financing cost in the Group Income Statement of £18 million (post-tax £13 million).

(v) Exceptional item taxation includes a credit of £46 million associated with deferred tax in exploration and production, in the Upstream segment. This predominantly relates to an increase in the deferred tax asset position related to the recovery of abandonment tax losses, investment allowance and a re-measurement of the energy profits levy deferred tax liability, as a result of changes in forecast production profiles and commodity prices, and legislative changes. This item is unrelated to the other exceptional items.

6. Exceptional items and certain re-measurements

(c) Impairment accounting policy, process and sensitivities

The information provided below relates to the assets and CGUs (or groups of CGUs) that have been subject to impairment during the year and/or whose recoverable amount is a key source of estimation uncertainty. See note 3(b).

Exceptional impairment of assets measured on a value-in-use (VIU) basis

Segment	Asset/CGU	Basis for impairment assessment	Recoverable amount £m	Impairment £m
Upstream	Nuclear (i)	Decrease in forecast and actual baseload power prices partially offset by the impact of life extensions at Heysham 1 & 2, Torness and Hartlepool stations.	794	48

(i) During the year ended 31 December 2023, an impairment of £549 million was booked in relation to the Nuclear investment. The recoverable amount at the end of 2023 was £903 million.

Nuclear

A VIU calculation has been used to determine the recoverable amount of the Group's investment in Nuclear. The cash flows incorporated in the valuation are based on detailed business forecasts in the short term, extrapolated to future years to account for the expected generation profile of the fleet for its remaining life. Assumptions include forward commodity prices, capacity rates, fuel and network costs, and operating and capital expenditure requirements. Price assumptions are based on liquid market prices for 2025 to 2028 which are then blended over a one-year period to long-term price forecasts. Long-term price assumptions are based on Centrica's view of long-term prices, derived from a third-party market curve.

The Electricity Generator Levy, applying a 45% tax rate to revenues generated over £75/MWh (adjusted for inflation) until 31 March 2028, based on the above price assumptions, has also been included in the assessment. See note 3.

In December 2024, the Nuclear business announced that estimated operating lifetimes at the Heysham 2 and Torness stations would be extended by two years to March 2030, and at Heysham 1 and Hartlepool would be extended by one year to March 2027. Based on prices at 31 December 2024, the lifetime extensions increased the value of the Group's investment in Nuclear by £138 million.

The VIU calculation assumes that the Sizewell plant operates until 2055, reflecting a 20-year extension beyond its original design life. In the absence of this extension, the carrying value of the Group's investment in Nuclear based on cash flows from 2035 to 2055 would be reduced by £152 million. All other stations' life assumptions are aligned to lifetime closure dates announced by the operator (being between March 2027 and March 2030). A further adjustment of one year to the lifetime of two Advanced Gas-Cooled Reactor (AGR) stations would impact carrying value by £42 million.

The VIU calculation is also sensitive to changes in outage assumptions, and the base level generation volumes assumed for the fleet were increased during the period based on a review of planned and unplanned outages. An increase or reduction of 3% in the unplanned outage rate applied to volumes across the Nuclear fleet would lead to an impairment/write-back of £80 million.

The future pre-tax cash flows generated by the investment in the associate are discounted using a pre-tax nominal discount rate of 15.3% (2023: 17.3%). This equated to a post-tax rate of 8.5% (2023: 8.5%). The post-tax discount rate is initially derived from the Group weighted average cost of capital as adjusted for the risks associated with the asset and with reference to comparator companies. The pre-tax rate is then back-calculated by removing tax cash flows and assessing the rate that would give the same result as the post-tax rate. As baseload power prices for the liquid period remain higher than longer-term forecast prices, the near-term cash flows are elevated, which caused the pre-tax discount rate to remain high. A 1% increase in the post-tax discount rate would lead to an impairment of £37 million (when compared with the year-end carrying value). Similarly, a 1% reduction in the post-tax discount rate would lead to a write-back of £43 million.

The asset is particularly sensitive to changes in commodity price and the table below details average prices for the first 5- and 10-year periods and associated sensitivities. Note that the asset is valued based on cash flows arising over its entire economic life and not just this 15-year period.

	Five-year liquid and blended-period price (i)		Ten-year long-term average price (i)		Change in pre/post-tax write-back/(impairment) (ii)			
					+10%		-10%	
	2025-2029	2024-2028	2030-2039	2029-2038				
	31 December 2024 £/MWh	31 December 2023 £/MWh	**31 December 2024 £/MWh**	31 December 2023 £/MWh	**31 December 2024 £m**	31 December 2023 £m	**31 December 2024 £m**	31 December 2023 £m
Baseload power	**71**	77	**61**	61	**190**	148	**(193)**	(191)
					+50% Five-year liquid and blended-period only		**-50% Five-year liquid and blended-period only**	
					436		**(632)**	

(i) Prices are shown in 2023 real terms.

(ii) A 10% change was historically deemed to represent a reasonably possible variation across the entire period covered by the liquid market and comparator curves used in the nuclear impairment test. Given the 2024, a further sensitivity has been included based on a 50% change in liquid and blend-period commodity prices only. Sensitivities are impacted by the effect of the Electricity Generator Levy threshold of £75/MWh (adjusted for inflation).

Furthermore, there is also uncertainty due to climate change and international governmental intervention to reduce CO_2 emissions and the likely impact this will have on both power demand and forecast prices. As a result, a further sensitivity is disclosed below based on the average forecast prices aligned to the net zero price curves issued by Aurora and Baringa (power analytics providers), which assumes governmental policies are put in place to achieve the temperature and net zero goals by 2050. This sensitivity retains the prices for the liquid period (four years) but replaces the longer term thereafter with the average of Aurora and Baringa's forecast prices for net zero.

6. Exceptional items and certain re-measurements

	Ten-year long-term average price (i)	Change in pre/post-tax impairment (ii)
	2030-2039	
	2024	£m
Baseload power (£/MWh)	56	(97)

(i) Prices shown in 2023 real terms.
(ii) Change would lead to a further write-off of the carrying value.

Exceptional impairment of assets measured on a FVLCD basis

Segment	Asset/CGU (or group of CGUs)	Basis for impairment assessment	Recoverable amount (ii) £m	FV hierarchy	Impairment £m
Centrica Business Solutions	Batteries, Gas peakers and Solar assets (i)	The reduction in forecast price capture, together with an increase in discount rate and forecast capital and operating expenditure.	252	L3	27

(i) During the year ended 31 December 2023, an impairment of £14 million was booked in relation to the Centrica Business Solutions Batteries, Gas peakers and Solar assets.
(ii) Recoverable amount is for the portfolio of assets and relates to the Property, Plant and Equipment balance only.

Fair value less costs of disposal (FVLCD) is determined by discounting the post-tax cash flows expected to be generated by the assets or CGU, net of associated selling costs, taking into account those assumptions that market participants would use in estimating fair value. Post-tax cash flows used in the FVLCD calculation are based on the Group's Board-approved business plans and longer-term strategic plans together with, where relevant, long-term production, asset usage and cash flow forecasts. These calculations are then benchmarked back to market transactions, where available, to assess alignment with typical market participant views.

Centrica Business Solutions assets

An exceptional impairment has been recorded in 2024 for Centrica Business Solutions assets measured on a FVLCD basis.

For Batteries, post-tax cash flows are derived from projected revenue streams associated with wholesale power, balancing, reserve, response and capacity markets over the life of the asset. Where forward market prices are not available, prices are determined based on third-party price forecasts, together with an assessment of extrinsic value capture.

For Gas peakers, post-tax cash flows are derived from an assessment of the clean spark-spread, which is the difference between the power revenues from generation and the cost of generation (gas and carbon costs), together with other revenue streams associated with balancing mechanism and capacity and availability markets. Where forward market prices are not available, prices are determined based on third-party price forecasts.

The future post-tax cash flows for both Batteries and Gas peakers are discounted using a post-tax nominal discount rate of 8.0% (2023: 7.5%).

For Solar assets, post-tax cash flows are derived from an assessment of expected solar activity and the ability to capture future baseload power prices. Prices are determined based on a third-party capture price forecast.

The future post-tax cash flows for Solar assets, are discounted using a post-tax nominal discount rate of 6.0% (2023: 6.0%).

For all assets, post-tax cash flows also include an assessment of forecast capital and operating expenditure.

Upstream gas production assets

No Upstream gas production assets have been impaired during the year but they still have a significant carrying value on the balance sheet and accordingly further sensitivities are provided below.

For Upstream gas production assets post-tax cash flows are derived from projected production profiles of each field, taking into account forward prices for gas and liquids over the relevant period. Where forward market prices are not available (i.e. outside the active period for each commodity), prices are determined based on Centrica's view of long-term prices, derived from a third-party market curve. The date of cessation of production depends on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, production costs, the contractual duration of the licence area and the selling price of the gas and liquids produced. As each field has specific reservoir characteristics and economic circumstances, the post-tax cash flows for each field are computed using individual economic models. Price assumptions are critical and use liquid market prices for 2025 to 2028, blended over a one-year period to long-term price forecasts. Long-term price assumptions are Centrica's view of long-term prices as derived from a third-party market curve and are deemed best aligned with pricing that a reasonable market participant would use. Following the implementation of the Energy Profits Levy, the increased tax rates have been included in the FVLCD calculations until the sunset date of 31 March 2030.

The future post-tax cash flows are discounted using a post-tax nominal discount rate of 11.0% (2023: 11.0%).

As forward commodity prices are a key assumption in these valuations, average prices and associated impairment sensitivities for the Group's upstream gas assets are shown below. Note that the fields are valued over their respective economic lives and the 5- and 10-year pricing information shown below is just to provide context. Note that the asset portfolio reserves are predominantly gas (rather than liquids) and therefore only NBP gas prices have been shown on the next page.

6. Exceptional items and certain re-measurements

	Five-year liquid and blended-period price (i)		Ten-year long-term average price (i)		Change in post-tax write-back/(impairment) (ii) (iii)			
					+10%		-10%	
	2025-2029	2024-2028	**2030-2039**	2029-2038				
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023	**31 December 2024 £m**	31 December 2023 £m	**31 December 2024 £m**	31 December 2023 £m
NBP (p/th)	**82**	76	**70**	66	**—**	6	**—**	(5)
					+50% Five-year liquid and blended-period only		**-50% Five-year liquid and blended-period only**	
					—		**(116)**	

(i) Prices are shown in 2023 real terms.

(ii) Sensitivity relates to Upstream exploration and production assets and CGUs. A 10% change was historically deemed to represent a reasonably possible variation across the entire period covered by both the liquid market and longer-term forecasts used in upstream gas impairment tests. Given the significant movements in commodity prices during the last few years, a further sensitivity has been included based on a 50% change in liquid and blend-period commodity prices only. The changes shown relate to further write-backs or impairments and are restricted because the most material fields have already been written back to their depreciated historic cost and have excess impairment headroom.

(iii) Whilst no write-back or impairment would be required with a +/-10% price movement, the post-tax recoverable amounts would move by +£62 million/-£64 million.

Furthermore, there is also uncertainty due to climate change and international governmental intervention to reduce CO_2 emissions and the likely impact this will have on gas demand and forecast prices. As a result, a further sensitivity is disclosed below based on forecast prices aligned to an average of the International Energy Agency's (IEA), Bloomberg NEF, Aurora and Baringa's net zero emissions by 2050, which assumes governmental policies are put in place to achieve the temperature and net zero goals by 2050. This sensitivity retains the prices for the liquid period (four years) but replaces the longer term thereafter with the average of these forecast prices for net zero emissions by 2050.

	Ten-year long-term average price (i)	Change in post-tax impairment (ii)
	2030-2039	
	2024	**£m**
NBP (p/th)	**61**	**—**

(i) Prices shown in 2023 real terms.

(ii) Change in impairment is restricted due to the most material fields having already been written back to their depreciated historic cost and having excess impairment headroom, as well as most hydrocarbon production being in the liquid period and hence unaffected by net zero pricing.

7. Net finance income/(cost)

Financing costs mainly comprise interest on bonds and bank debt, the results of hedging activities used to manage foreign exchange and interest rate movements on the Group's borrowings and notional interest arising from the discounting of decommissioning provisions and pensions. An element of financing cost is capitalised on qualifying projects.
Investment income predominantly includes interest received from short-term investments in money market funds, bank deposits and government bonds.

	2024			2023		
Year ended 31 December	Financing costs £m	Investment income £m	Total £m	Financing costs £m	Investment income £m	Total £m
Financing (cost)/income from net debt:						
Interest income	—	313	313	—	269	269
Interest cost on bonds, bank loans and overdrafts	(235)	—	(235)	(262)	—	(262)
Interest cost on lease liabilities	(13)	—	(13)	(12)	—	(12)
	(248)	313	65	(274)	269	(5)
Net losses on revaluation	—	—	—	(2)	—	(2)
Notional interest arising from discounting	(23)	—	(23)	(14)	—	(14)
	(271)	313	42	(290)	269	(21)
Other interest charges (i)	(9)	—	(9)	(20)	—	(20)
Capitalised borrowing costs (ii)	11	—	11	2	—	2
Financing (cost)/income before exceptional items	(269)	313	44	(308)	269	(39)
Exceptional items (iii)	(68)	—	(68)	—	—	—
Financing (cost)/income	(337)	313	(24)	(308)	269	(39)

(i) Other interest charges includes interest charged on cash collateral, and fees for letters of credit. The cash flow associated is £16 million (2023: £20 million).
(ii) Borrowing costs have been capitalised using an average rate of 8.54% (2023: 8.39%).
(iii) During the year the Group repurchased £370 million of debt instruments and refinanced a hybrid bond designated in a fair value hedge relationship, resulting in an exceptional financing cost of £68 million (2023: £nil). See notes 6(b) and 11 for further details.

8. Taxation

The taxation note details the different tax charges and rates, including current and deferred tax arising in the Group. The current tax charge is the tax payable on this year's taxable profits together with amendments in respect of tax provisions made in earlier years. This tax charge excludes the Group's share of taxation on the results of joint ventures and associates. Deferred tax represents the tax on differences between the accounting carrying values of assets and liabilities and their tax bases. These differences are temporary and are expected to unwind in the future.

Analysis of tax charge

	2024			2023		
Year ended 31 December	**Business performance £m**	**Exceptional items and certain re-measurements £m**	**Results for the year £m**	Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m
Current tax						
UK corporation tax	**(383)**	**146**	**(237)**	(535)	105	(430)
UK energy profits levy	**(243)**	**—**	**(243)**	(160)	11	(149)
UK petroleum revenue tax	**37**	**—**	**37**	1	—	1
Non-UK tax	**(35)**	**(17)**	**(52)**	(100)	—	(100)
Adjustments in respect of prior years – UK	**(1)**	**(50)**	**(51)**	3	(26)	(23)
Adjustments in respect of prior years – non-UK	**(7)**	**—**	**(7)**	2	—	2
Total current tax	**(632)**	**79**	**(553)**	(789)	90	(699)
Deferred tax						
Origination and reversal of temporary differences – UK	**(8)**	**(22)**	**(30)**	(92)	(1,312)	(1,404)
UK energy profits levy	**70**	**188**	**258**	34	(376)	(342)
Change in UK tax rate	**—**	**—**	**—**	(2)	(3)	(5)
UK petroleum revenue tax	**(2)**	**—**	**(2)**	—	52	52
Origination and reversal of temporary differences – non-UK	**2**	**(9)**	**(7)**	4	(20)	(16)
Adjustments in respect of prior years – UK	**14**	**3**	**17**	7	(26)	(19)
Adjustments in respect of prior years – non-UK	**3**	**—**	**3**	—	—	—
Total deferred tax	**79**	**160**	**239**	(49)	(1,685)	(1,734)
Total UK tax	**(516)**	**265**	**(251)**	(744)	(1,575)	(2,319)
Total non-UK tax	**(37)**	**(26)**	**(63)**	(94)	(20)	(114)
Total taxation on profit for the year (i)	**(553)**	**239**	**(314)**	(838)	(1,595)	(2,433)

(i) Total taxation on profit excludes taxation on the Group's share of results of joint ventures and associates.

UK tax rates

Most activities in the UK are subject to the standard rate for UK corporation tax of 25% (2023: 23.5%). Upstream gas production activities are taxed at a rate of 30% (2023: 30%), a supplementary charge of 10% (2023: 10%), plus the Energy Profits Levy of 35% from 1 January 2024 to 31 October 2024 and 38% from 1 November 2024 to 31 December 2024 (2023: 35%) to give an overall tax rate of 75.5% (2023: 75%). Certain upstream gas production assets in the UK are subject to the UK petroleum revenue tax (PRT) regime at the current tax rate of 0% (2023: 0%).

Non-UK tax rates

Taxation in non-UK jurisdictions, where the Group has a substantial presence, is calculated at the rate prevailing in those respective jurisdictions.

The main non-UK rates of corporation tax are 12.5% (2023: 12.5%) plus a top-up tax of 2.5% (2023: 0%) in the Republic of Ireland, 22% (2023: 22%) in Denmark and 17% (2023: 17%) in Singapore.

Prior year adjustments reflect changes made to estimates or to judgements when further information becomes available.

9. Dividends

Dividends represent the return of profits to shareholders. Dividends are paid as an amount per ordinary share held. The Group retains part of the profits generated to meet future investment plans or to fund share buyback programmes.

	2024			2023		
	£m	Pence per ordinary share	Date of payment	£m	Pence per ordinary share	Date of payment
Prior year final dividend	141	2.67	11 Jul 2024	113	2.00	20 Jul 2023
Interim dividend	78	1.50	14 Nov 2024	73	1.33	16 Nov 2023
	219			186		

The Directors propose a final dividend of 3.00 pence per ordinary share for the year ended 31 December 2024 (which would total £153 million based on shareholding at that date). The dividend will be paid on 5 June 2025 to those shareholders registered on 2 May 2025.

The Company has sufficient distributable reserves to pay dividends to its ultimate shareholders. Distributable reserves are calculated on an individual legal entity basis and the ultimate parent company, Centrica plc, currently has adequate levels of realised profits within its retained earnings to support dividend payments. At 31 December 2024, Centrica plc's Company-only distributable reserves were c.£4.0 billion (2023: c.£4.5 billion). On an annual basis, the distributable reserve levels of the Group's subsidiary undertakings are reviewed and dividends paid up to Centrica plc as appropriate to replenish its reserves.

10. Earnings per ordinary share

Earnings per share (EPS) is the amount of profit or loss attributable to each share. Basic EPS is the amount of profit or loss for the year divided by the weighted average number of shares in issue during the year. Diluted EPS includes the impact of outstanding share options.

Basic earnings per ordinary share has been calculated by dividing the profit attributable to equity holders of the Company for the year of £1,332 million (2023: £3,929 million) by the weighted average number of ordinary shares in issue during the year of 5,187 million (2023: 5,569 million). The number of shares excludes 573 million ordinary shares (2023: 339 million), being the weighted average number of the Company's own shares held in the employee share trust and treasury shares repurchased during the year by the Group as part of the share buyback programme. These 573 million shares do not include shares expected to be repurchased as part of the Group's share buyback programme during 2025.

The Directors believe that the presentation of adjusted basic earnings per ordinary share, being the basic earnings per ordinary share adjusted for certain re-measurements and exceptional items, assists with understanding the underlying performance of the Group, as explained in note 2.

Information presented for diluted and adjusted diluted earnings per ordinary share uses the weighted average number of ordinary shares as adjusted for 119 million (2023: 91 million) potentially dilutive ordinary shares as the denominator, unless it has the effect of increasing the profit or decreasing the loss attributable to each ordinary share.

Basic to basic adjusted earnings per share reconciliation

	2024		2023	
Year ended 31 December	£m	Pence per ordinary share	£m	Pence per ordinary share
Earnings – basic	**1,332**	**25.7**	3,929	70.6
Net exceptional items after taxation (notes 2 and 6) (i)	**132**	**2.5**	600	10.8
Certain re-measurement gains after taxation (notes 2 and 6) (i)	**(480)**	**(9.2)**	(2,670)	(48.0)
Earnings – adjusted basic	**984**	**19.0**	1,859	33.4
Earnings – diluted	**1,332**	**25.1**	3,929	69.4
Earnings – adjusted diluted	**984**	**18.5**	1,859	32.8

(i) Net exceptional items after taxation and certain re-measurement gains after taxation are adjusted to reflect the share attributable to non-controlling interests.

11. Sources of finance

(a) Capital structure

The Group seeks to maintain an efficient capital structure with a balance of debt and equity as shown in the table below:

31 December	2024 £m	2023 £m
Gross debt	**2,974**	3,408
Shareholders' equity	**4,422**	3,877
Capital	**7,396**	7,285

Debt levels are restricted to limit the risk of financial distress and, in particular, to maintain a strong credit profile. The Group's credit standing is important for several reasons: to maintain a low cost of debt, limit collateral requirements in energy trading, hedging and decommissioning security arrangements, and to ensure the Group is an attractive counterparty to energy producers and long-term customers.

The Group monitors its current and projected capital position on a regular basis, considering a medium-term view of at least three years, and different stress case scenarios, including the impact of changes in the Group's credit ratings and significant movements in commodity prices. A number of financial ratios are monitored, including those used by the credit rating agencies.

The level of debt that can be raised by the Group is restricted by the Company's Articles of Association. Borrowing is limited to the higher of £10 billion and a gearing ratio of three times shareholders' equity. The Group funds its long-term debt requirements through issuing bonds in the capital markets and taking bank debt. Short-term debt requirements are met primarily through commercial paper or short-term bank borrowings. The Group maintains substantial committed facilities and uses these to provide liquidity for general corporate purposes, including short-term business requirements and back-up for commercial paper.

British Gas Insurance Limited (BGIL) is required to hold a minimum capital amount under PRA regulations and has complied with this requirement since its inception. BGIL's capital risk appetite, which is approved by the board, exceeds the PRA capital requirements.

BGIL's capital management policy and plan are subject to review and approval by the BGIL board. Reporting processes provide relevant and timely capital information to management and the board. A medium-term capital management plan forms part of BGIL's planning and forecasting process, embedded into approved timelines, management reviews and board approvals.

11. Sources of finance

(b) Adjusted net cash/(debt) summary

Adjusted net cash/(debt) predominantly includes capital market borrowings offset by cash, securities and certain hedging financial instruments used to manage interest rate and foreign exchange movements on borrowings. Presented in the derivatives and current and non-current borrowings, leases and interest accruals columns shown below are the assets and liabilities that give rise to financing cash flows.

				Other assets and liabilities			
	Current and non-current borrowings, leases and interest accruals £m	Derivatives £m	Gross debt £m	Cash and cash equivalents, net of bank overdrafts (i) £m	Current and non-current securities (ii) £m	Sub-lease assets £m	Adjusted net cash/(debt) £m
Group adjusted net (debt)/cash at 1 January 2023	(3,417)	(153)	(3,570)	4,242	525	2	1,199
Transfer of other investments from net debt	—	—	—	—	(27)	—	(27)
Acquisition of businesses	(13)	—	(13)	—	—	—	(13)
Cash outflow from net purchase of securities	—	—	—	(12)	12	—	—
Cash outflow for payment of capital element of leases	93	—	93	(93)	—	—	—
Cash outflow for repayment of borrowings	1,155	—	1,155	(1,155)	—	—	—
Cash inflow from borrowings	(930)	—	(930)	930	—	—	—
Net cash flow from operating activities	—	—	—	2,752	—	—	2,752
Net cash flow from other investing activities (iv)	—	—	—	106	—	—	106
Cash outflow for share buyback programme (v)	—	—	—	(613)	—	—	(613)
Net cash flow from other financing activities (v)	—	—	—	(197)	—	—	(197)
Revaluation	(59)	44	(15)	—	9	—	(6)
Interest receivable on securities	—	—	—	—	23	—	23
Interest received on securities	—	—	—	21	(21)	—	—
Financing interest paid	177	41	218	(286)	—	—	(68)
Increase in interest payable and amortisation of borrowings, and impact of associated interest rate swaps	(186)	(51)	(237)	—	—	—	(237)
New lease agreements and re-measurement of existing lease liabilities	(158)	—	(158)	—	—	—	(158)
Exchange adjustments	49	—	49	(66)	—	—	(17)
Group adjusted net (debt)/cash at 31 December 2023	(3,289)	(119)	(3,408)	5,629	521	2	2,744
Cash outflow for purchase of securities	—	—	—	(19)	19	—	—
Cash inflow from settlement of securities (ii)	—	—	—	400	(400)	—	—
Cash outflow for payment of capital element of leases	97	—	97	(97)	—	—	—
Cash outflow for repayment of borrowings (iii)	842	15	857	(925)	—	—	(68)
Cash inflow from borrowings (iii)	(483)	—	(483)	483	—	—	—
Net cash flow from operating activities	—	—	—	1,149	—	—	1,149
Net cash flow from other investing activities (iv)	—	—	—	87	—	—	87
Cash outflow for share buyback programme (v)	—	—	—	(499)	—	—	(499)
Net cash flow from other financing activities (v)	—	—	—	(227)	—	—	(227)
Revaluation	13	(22)	(9)	—	5	—	(4)
Interest receivable on securities	—	—	—	—	19	—	19
Interest received on securities	—	—	—	25	(25)	—	—
Financing interest paid	171	76	247	(283)	—	—	(36)
Increase in interest payable and amortisation of borrowings, and impact of associated interest rate swaps	(168)	(57)	(225)	—	—	—	(225)
New lease agreements and re-measurement of existing lease liabilities	(53)	—	(53)	—	—	(2)	(55)
Exchange adjustments	3	—	3	(30)	—	—	(27)
Group adjusted net (debt)/cash at 31 December 2024	**(2,867)**	**(107)**	**(2,974)**	**5,693**	**139**	**—**	**2,858**

(i) Cash and cash equivalents includes £115 million (2023: £104 million) of restricted cash. This includes cash totalling £3 million (2023: £2 million) within the Spirit Energy business that is not restricted by regulation but is managed by Spirit Energy's own treasury department. Cash and cash equivalents are net of £645 million bank overdrafts (2023: £814 million).

(ii) Settlement of securities in 2024 is in relation to the repayment of £400 million of loans previously made to the pension schemes. At 31 December 2024, the Securities balance includes £nil (2023: £405 million) of loans to the pension schemes and £31 million (2023: £12 million) of other loans receivable, both measured at amortised cost, as well as £73 million (2023: £72 million) other debt instruments and £35 million (2023: £32 million) equity instruments, both measured at fair value. See note 14 for further details on pension loans now settled.

(iii) Repayment of and inflow from borrowings is in relation to debt repurchase, refinance exercises and obtaining/repayment of short-term borrowing. £370 million of debt instruments have been repurchased in advance of the maturity date. The 2075 hybrid bond designated in a fair value hedge relationship, with a bond carrying value of £435 million and derivative carrying value of £15 million, has been replaced with a 2055 hybrid bond. The 2055 hybrid bond, with a first call date in 2030, resulted in the issue of £405 million notional debt, with £2 million of capitalised transaction fees. A one-off financing cost of £68 million was paid in relation to these repurchase and refinancing exercises. See note 6(b) for further information. Additionally, £37 million of short-term borrowing obtained during December 2023 has been repaid, and £80 million of other borrowings were obtained during the year.

(iv) Cash inflow from other investing activities excludes cash outflow relating to the purchase of securities of £19 million (2023: £12 million), cash inflow from the settlement of securities of £400 million, and interest received on securities of £25 million (2023: £21 million) during the year.

(v) Cash outflow of £499 million (2023: £613 million) relates to the share buyback programme, for which there is a liability of £75 million (2023: £94 million) recognised at 31 December 2024. Cash outflow from other financing activities includes £219 million (2023: £186 million) payments of equity dividends and £8 million (2023: £nil) payments for own shares. Cashflows from other financing activities in 2023 also include £17 million of distributions to non-controlling interests and £6 million of proceeds from exercise of share options.

11. Sources of finance

(c) Borrowings, leases and interest accruals summary

31 December	Coupon rate %	Principal m	2024 Current £m	2024 Non-current £m	2024 Total £m	2023 Current £m	2023 Non-current £m	2023 Total £m
Bank overdrafts			**(645)**	**—**	**(645)**	(814)	—	(814)
Bank loans (> 5-year maturity)			**—**	**(124)**	**(124)**	—	(130)	(130)
Other borrowings			**(61)**	**(39)**	**(100)**	(37)	(20)	(57)
Bonds (by maturity date):								
4 September 2026 (i)	6.400	£52	**—**	**(50)**	**(50)**	—	(50)	(50)
16 April 2027	5.900	US$70	**—**	**(56)**	**(56)**	—	(55)	(55)
13 March 2029 (i)	4.375	£552	**—**	**(492)**	**(492)**	—	(497)	(497)
5 January 2032 (ii)	Zero	€50	**—**	**(70)**	**(70)**	—	(71)	(71)
19 September 2033 (i) (iii)	7.000	£400	**—**	**(319)**	**(319)**	—	(703)	(703)
16 October 2043	5.375	US$367	**—**	**(288)**	**(288)**	—	(284)	(284)
12 September 2044	4.250	£550	**—**	**(539)**	**(539)**	—	(539)	(539)
25 September 2045	5.250	US$50	**—**	**(39)**	**(39)**	—	(38)	(38)
21 May 2055 (i) (iv)	6.500	£405	**—**	**(401)**	**(401)**	—	—	—
10 April 2075 (v)	5.250	£450	**—**	**—**	**—**	—	(428)	(428)
			—	**(2,254)**	**(2,254)**	—	(2,665)	(2,665)
Obligations under lease arrangements			**(104)**	**(241)**	**(345)**	(98)	(286)	(384)
Interest accruals			**(44)**	**—**	**(44)**	(53)	—	(53)
			(854)	**(2,658)**	**(3,512)**	(1,002)	(3,101)	(4,103)

(i) Bonds or portions of bonds maturing in 2026, 2029, 2033 and 2055 have been designated in a fair value hedge relationship.
(ii) €50 million of zero coupon notes have an accrual yield of 4.2%, which will result in a €114 million repayment on maturity.
(iii) Before the effect of the debt repurchase exercise during the year, the notional value of the 2033 bond was £770 million.
(iv) The Group has the right to repay at par on 21 May 2030 and every interest payment date thereafter.
(v) The 2075 hybrid bond, with a right to repay at par on 10 April 2025, has been repaid during the year.

12. Joint ventures and associates

Joint ventures and associates represent businesses where we exercise joint control or significant influence and generally have an equity holding of up to 50%. These include the investment in Lake Acquisitions Limited, which owns the existing UK nuclear power station fleet.

(a) Share of results of joint ventures and associates

The Group's share of results of joint ventures and associates principally arises from its interest in Nuclear – Lake Acquisitions Limited, an associate, reported in the Upstream segment.

	2024			2023		
Year ended 31 December	Share of business performance £m	Share of exceptional items and certain re-measurements £m	Share of results for the year £m	Share of business performance £m	Share of exceptional items and certain re-measurements £m	Share of results for the year £m
Income	808	—	808	680	—	680
Expenses before depreciation, amortisation, exceptional items and certain re-measurements	(295)	—	(295)	(265)	—	(265)
Depreciation and amortisation	(139)	—	(139)	(132)	—	(132)
Exceptional items and re-measurement of certain contracts	—	—	—	—	(1)	(1)
Operating profit/(loss)	374	—	374	283	(1)	282
Taxation on profit/(loss)	(118)	—	(118)	(74)	—	(74)
Share of post-taxation results of joint ventures and associates	**256**	**—**	**256**	209	(1)	208

(b) Interests in joint ventures and associates

	2024 Investments in joint ventures and associates £m	2023 Investments in joint ventures and associates £m
1 January	903	1,580
Additions	—	9
Impairments (i)	(48)	(549)
Share of profit for the year	256	208
Share of other comprehensive income/(loss) (ii)	38	(95)
Dividends	(355)	(220)
Disposals	—	(28)
Other movements	—	(2)
31 December	**794**	903

(i) The £48 million in 2024 relates to the Nuclear investment impairment (2023: £549 million). See note 6 for further details.
(ii) Share of other comprehensive income/(loss) mainly relates to actuarial changes on pension schemes within the Nuclear investment.

(c) Share of joint ventures' and associates' assets and liabilities

31 December	2024 £m	2023 £m
Share of non-current assets	4,278	3,888
Share of current assets	758	780
	5,036	4,668
Share of current liabilities	(305)	(270)
Share of non-current liabilities	(2,843)	(2,449)
	(3,148)	(2,719)
Cumulative impairment	(1,094)	(1,046)
Interests in joint ventures and associates	**794**	903
Net cash included in share of net assets	**73**	99

13. Derivative financial instruments

The Group generally uses derivative financial instruments to manage the risk arising from fluctuations in the value of certain assets or liabilities associated with treasury management and energy sales and procurement, and for proprietary energy trading purposes. The Group also uses derivatives to hedge exchange risk.

For accounting purposes, derivatives are either classified as held for trading, in which case changes in their fair value are recognised in the Group Income Statement, or they are designated in hedging relationships. Where derivatives are in hedging relationships, the treatment of changes in their fair value depends on the nature of that relationship, and whether it represents a fair value hedge or a cash flow hedge. The table below gives a high-level summary of the Group's accounting for its derivative contracts.

Purpose	Classification	Accounting treatment
Proprietary energy trading and treasury management.	Held for trading and fair value hedges.	Changes in fair value recognised in the Group's business performance results for the year.
Treasury management.	Cash flow hedges.	Effective portion of hedge initially recognised in the Group Statement of Other Comprehensive Income. Gains and losses are recycled to the Group Income Statement when the hedged item impacts profit or loss. Ineffective portions of the hedge are recognised immediately in the Group's business performance results for the year.
Energy procurement and optimisation.	Held for trading.	Changes in fair value recognised in the Group's exceptional items and certain re-measurements results for the year.

The carrying values of derivative financial instruments by product type for accounting purposes are as follows:

31 December	2024 Assets £m	2024 Liabilities £m	2023 Assets £m	2023 Liabilities £m
Derivative financial instruments – held for trading under IFRS 9:				
Energy derivatives – for procurement/optimisation	**530**	**(251)**	1,733	(1,715)
Energy derivatives – for proprietary trading	**886**	**(913)**	1,418	(993)
Foreign exchange derivatives	**128**	**(83)**	85	(144)
Derivative financial instruments in hedge accounting relationships:				
Interest rate derivatives	**—**	**(134)**	—	(136)
Foreign exchange derivatives	**32**	**(6)**	36	(18)
Total derivative financial instruments	**1,576**	**(1,387)**	3,272	(3,006)
Included within:				
Derivative financial instruments – current	**1,309**	**(932)**	2,373	(2,391)
Derivative financial instruments – non-current	**267**	**(455)**	899	(615)

The contracts included within energy derivatives are subject to a wide range of detailed specific terms, but comprise the following general components, analysed on a net carrying value basis:

31 December	2024 £m	2023 £m
Short-term forward market purchases and sales of gas and electricity:		
UK and Europe	**125**	1,163
Other derivative contracts including structured gas sale and purchase arrangements	**127**	(720)
Net total	**252**	443

14. Post-retirement benefits

The Group manages a number of final salary and career average defined benefit pension schemes. It also has defined contribution schemes. The majority of these schemes are in the UK.

(a) Summary of main post-retirement benefit schemes

Name of scheme	Type of benefit	Status	Country	Number of active members as at 31 December 2024	Total membership as at 31 December 2024
Centrica Engineers Pension Scheme	Defined benefit final salary pension	Closed to new members in 2006	UK	1,372	8,369
	Defined benefit career average pension	Closed to new members in 2022	UK	2,522	7,104
Centrica Pension Plan	Defined benefit final salary pension	Closed to new members in 2003	UK	1,323	8,382
Centrica Pension Scheme	Defined benefit final salary pension	Closed to new members in 2003	UK	1	10,037
	Defined benefit career average pension	Closed to new members in 2008	UK	713	4,143
Centrica Savings Plan (i)	Defined contribution pension	Open to new members	UK	13,103	14,636
Centrica Leavers Savings Plan (i)	Defined contribution pension	Deferred members only	UK	—	9,746
Bord Gáis Energy Company Defined Benefit Pension Scheme	Defined benefit final salary pension	Closed to new members in 2014	Republic of Ireland	85	168
Bord Gáis Energy Company Defined Contribution Pension Plan	Defined contribution pension	Open to new members	Republic of Ireland	335	498

(i) In March 2024, the Centrica Leavers Savings Plan (CLSP), a defined contribution pension scheme, was established and the deferred membership in the Centrica Savings Plan at that time was transferred across. Ongoing, there will be a regular process to transfer the deferred membership in the Centrica Savings Plan to the CLSP.

The Centrica Engineers Pension Scheme (CEPS), Centrica Pension Plan (CPP) and Centrica Pension Scheme (CPS) form the significant majority of the Group's defined benefit obligation and are referred to below as the 'Registered Pension Schemes'. The other schemes are individually, and in aggregate, immaterial.

Independent valuations

The Registered Pension Schemes are subject to independent valuations at least every three years, on the basis of which the qualified actuary certifies the rate of employer contributions, which together with the specified contributions payable by the employees and proceeds from the schemes' assets, are expected to be sufficient to fund the benefits payable under the schemes.

Within the reporting period, the latest full actuarial valuations agreed and finalised with the Pension Trustees were carried out at the following dates: the Registered Pension Schemes at 31 March 2021 and the Bord Gáis Energy Company Defined Benefit Pension Scheme at 1 January 2023. These valuations have been updated to 31 December 2024 for the purpose of meeting the requirements of IAS 19. Investments held in all schemes have been valued for this purpose at market value. In February 2025, full actuarial valuations of the Registered Pension Schemes at 31 March 2024 were agreed and finalised with the Pension Trustees. The impact on pension scheme contributions is shown in note 14(g). These valuations will be updated prospectively in future reporting periods for the purpose of meeting the requirements of IAS 19.

Governance

The Registered Pension Schemes are managed by trustee companies whose boards consist of both company-nominated and member-nominated Directors. Each scheme holds units in the Centrica Combined Common Investment Fund (CCCIF), which holds the majority of the combined assets of the Registered Pension Schemes. The board of the CCCIF is currently comprised of seven directors: two independent directors (including the Chair), two directors appointed by Centrica plc and one director appointed by each of the three Registered Pension Schemes.

Under the terms of the Pensions Act 2004, Centrica plc and each trustee board must agree the funding rate for its defined benefit pension scheme and a recovery plan to fund any deficit against the scheme-specific statutory funding objective. This approach was first adopted for the triennial valuations completed at 31 March 2006, and has been reflected in subsequent valuations, including the 31 March 2024 valuation.

14. Post-retirement benefits

(b) Risks

The Registered Pension Schemes expose the Group to the following risks:

Asset volatility

The pension liabilities are calculated using a discount rate set with reference to AA corporate bond yields. If the growth in plan assets is lower than this, this will create an actuarial loss within other equity. The CCCIF is responsible for managing the assets of each scheme in line with the risk tolerances that have been set by the trustees of the schemes, and invests in a diversified portfolio of assets. The schemes are relatively young in nature (the schemes opened in 1997 on the formation of Centrica plc on demerger from BG plc (formerly British Gas plc)), and only took on past service liabilities in respect of active employees.

The trustees reduce their tolerance to scheme valuation risk by hedging a significant majority of the long term inflation and interest rate risk. This de-risking includes the use of physical gilts and collateralised gilt holdings in the schemes' Liability-Driven Investment (LDI) portfolio (shown in the Pension scheme asset table in section (f) of this note within Liability matching assets). Since the last quarter of 2022, following significant volatility in gilt yields, the trustees have significantly reduced the levels of leverage within the LDI portfolio. The schemes also benefit from further hedging arising from the other long-dated income unquoted asset portfolio.

Interest rate

A decrease in bond interest rates will increase the net present value of the pension liabilities. The relative immaturity of the schemes means that the duration of the liabilities is longer than average for typical UK pension schemes, resulting in a relatively higher exposure to interest rate risk. This risk is reduced via the hedging referred to in the Asset volatility section.

Inflation

Pensions in deferment, pensions in payment and pensions accrued under the career average schemes increase in line with the Retail Prices Index (RPI) and the Consumer Prices Index (CPI). Therefore, scheme liabilities will increase if inflation is higher than assumed, although in some cases caps are in place to limit the impact of significant movements in inflation. Furthermore, a pension increase exchange (PIE) option implemented in 2015 is available to future retirees, which gives the choice to receive a higher initial pension in return for giving up certain future increases linked to RPI, again limiting the impact of significant movements in inflation. Inflation risk is reduced via the hedging referred to in the Asset volatility section.

Longevity

The majority of the schemes' obligations are to provide benefits for the life of scheme members and their surviving spouses; therefore increases in life expectancy will result in an increase in the pension liabilities. The relative immaturity of the schemes means that there is comparatively little observable mortality data to assess the rates of mortality experienced by the schemes, and means that the schemes' liabilities will be paid over a long period of time, making it particularly difficult to predict the life expectancy of the current membership. Furthermore, pension payments are subject to inflationary increases, resulting in a higher sensitivity to changes in life expectancy.

Salary

Pension liabilities are calculated by reference to the future salaries of active members, and hence salary rises in excess of assumed increases will increase scheme liabilities. During 2011, changes were introduced to the final salary sections of CEPS and CPP such that annual increases in pensionable pay are capped to 2%, resulting in a reduction in salary risk. During 2016, a salary cap on pensionable pay for the CPS career average and CPP schemes was implemented, and in 2019 a similar change took place for CEPS. All of the 2011, 2016 and 2019 changes result in a reduction in salary risk.

High Court ruling

In June 2023, the UK High Court issued a ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes. This case may have implications for other defined benefit schemes in the UK. Based on a review undertaken and advice obtained by the trustees of the Registered Pension Schemes, the outcome of which they have shared with the Company and the Company's own consideration of that outcome, the Group does not believe there will be a material impact on the schemes as a result of this ruling.

Foreign exchange

Certain assets held by the CCCIF are denominated in foreign currencies, and hence their values are subject to exchange rate risk. The CCCIF has long-term hedging policies in place to manage interest rate, inflation and foreign exchange risks. The table below analyses the total liabilities of the Registered Pension Schemes, calculated in accordance with accounting principles, by type of liability, as at 31 December 2024.

14. Post-retirement benefits

Total liabilities of the Registered Pension Schemes

31 December	2024 %
Actives – final salary – capped	11
Actives – final salary – uncapped and crystallised benefits	5
Actives – career average	4
Deferred pensioners	38
Pensioners	42
	100

(c) Accounting assumptions

The accounting assumptions for the Registered Pension Schemes are given below:

Major assumptions used for the actuarial valuation

31 December	2024 %	2023 %
Rate of increase in employee earnings:		
Subject to 2% cap	1.6	1.6
Other not subject to cap	2.8	2.6
Rate of increase in pensions in payment	3.1	3.0
Rate of increase in deferred pensions:		
In line with CPI capped at 2.5%	2.5	2.3
In line with RPI	3.1	2.9
Discount rate	5.4	4.6

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date have been based on a combination of standard actuarial mortality tables, scheme experience and other relevant data, and include an allowance for future improvements in mortality. The longevity assumptions for members in normal health are as follows:

Life expectancy at age 65 for a member	2024		2023	
31 December	Male Years	Female Years	Male Years	Female Years
Currently aged 65	22.2	23.7	22.0	23.5
Currently aged 45	23.4	24.8	23.2	24.6

The other demographic assumptions have been set having regard to the latest trends in scheme experience and other relevant data. The assumptions are reviewed and updated as necessary as part of the periodic actuarial valuations of the pension schemes.

For the Registered Pension Schemes, marginal adjustments to the assumptions used to calculate the pension liability, or significant swings in bond yields or stock markets, can have a large impact in absolute terms on the net assets of the Group. Reasonably possible changes as at 31 December to one of the actuarial assumptions would have affected the scheme liabilities as set out below:

Impact of changing material assumptions	2024		2023	
31 December	Increase/ decrease in assumption	Indicative effect on scheme liabilities %	Increase/ decrease in assumption	Indicative effect on scheme liabilities %
Rate of increase in employee earnings subject to 2% cap	1.00%	+/-1	1.00%	+/-1
Rate of increase in pensions in payment and deferred pensions	1.00%	+13/-11	1.00%	+15/-12
Discount rate	1.00%	-14/+18	1.00%	-16/+20
Inflation assumption	1.00%	+14/-12	1.00%	+15/-12
Longevity assumption	1 year	+/-2	1 year	+/-3

The indicative effects on scheme liabilities have been calculated by changing each assumption in isolation and assessing the impact on the liabilities. For the reasonably possible change in the inflation assumption, it has been assumed that a change to the inflation assumption would lead to corresponding changes in the assumed rates of increase in uncapped pensionable pay, pensions in payment and deferred pensions.

The remaining disclosures in this note cover all of the Group's defined benefit schemes.

14. Post-retirement benefits

(d) Amounts included in the Group Balance Sheet

31 December	2024 £m	2023 £m
Fair value of plan assets	**5,563**	6,143
Present value of defined benefit obligation	**(5,584)**	(6,260)
Recognised in the Group Balance Sheet	**(21)**	(117)
Presented in the Group Balance Sheet as:		
Retirement benefit assets	**129**	64
Retirement benefit liabilities	**(150)**	(181)

The Trust Deed and Rules for the Registered Pension Schemes provide the Group with a right to a refund of surplus assets assuming the full settlement of scheme liabilities. The Trustees do not have the unilateral right to wind-up the schemes and cannot unilaterally enhance member benefits. The Group has not recognised any liability in relation to future contributions under its minimum funding agreement with the Trustees. No asset ceiling restrictions have been applied in the consolidated Financial Statements.

(e) Movement in the year

	2024		2023	
	Pension liabilities £m	**Pension assets £m**	Pension liabilities £m	Pension assets £m
1 January	**(6,260)**	**6,143**	(6,272)	6,312
Items included in the Group Income Statement:				
Current service cost	**(18)**	**—**	(22)	—
Contributions by employer in respect of employee salary sacrifice arrangements (i)	**(24)**	**—**	(24)	—
Total current service cost	**(42)**	**—**	(46)	—
Interest (expense)/income	**(282)**	**283**	(291)	300
Termination (cost)/benefit	**(1)**	**—**	1	—
Items included in the Group Statement of Comprehensive Income:				
Returns on plan assets, excluding interest income	**—**	**(830)**	—	(474)
Actuarial (loss)/gain from changes to demographic assumptions	**(16)**	**—**	357	—
Actuarial gain/(loss) from changes in financial assumptions	**721**	**—**	(49)	—
Actuarial gain/(loss) from experience adjustments	**12**	**—**	(215)	—
Items included in the Group Cash Flow Statement:				
Employer contributions	**—**	**227**	—	236
Contributions by employer in respect of employee salary sacrifice arrangements	**—**	**24**	—	24
Other movements:				
Benefits paid from schemes	**284**	**(284)**	257	(257)
Other	**—**	**—**	(2)	2
31 December	**(5,584)**	**5,563**	(6,260)	6,143

(i) A salary sacrifice arrangement was introduced on 1 April 2013 for pension scheme members. The contributions paid via the salary sacrifice arrangement have been treated as employer contributions and included within the current service cost, with a corresponding reduction in salary costs.

In addition to current service cost on the Group's defined benefit pension schemes, the Group also charged £95 million (2023: £72 million) to operating profit in respect of defined contribution pension schemes. This included contributions of £39 million (2023: £25 million) paid via a salary sacrifice arrangement.

14. Post-retirement benefits

(f) Pension scheme assets

The market values of plan assets were:

31 December	2024 Quoted £m	2024 Unquoted £m	2024 Total £m	2023 Quoted £m	2023 Unquoted £m	2023 Total £m
Equities	**19**	**491**	**510**	23	503	526
Corporate bonds	**12**	**—**	**12**	6	—	6
High-yield debt	**14**	**1,063**	**1,077**	18	1,238	1,256
Liability matching assets	**2,388**	**—**	**2,388**	2,860	—	2,860
Other long-dated income assets	**—**	**1,025**	**1,025**	—	1,204	1,204
Property	**—**	**303**	**303**	—	305	305
Cash pending investment	**248**	**—**	**248**	391	—	391
Loan and interest	**—**	**—**	**—**	—	(405)	(405)
	2,681	**2,882**	**5,563**	3,298	2,845	6,143

Unquoted private equity, other long-dated income assets and debt funds are valued at fair value as calculated by the investment manager at the latest valuation date in accordance with generally accepted guidelines, adjusted for cash flow in the intervening period. Investment properties are valued in accordance with guidelines by independent valuers. These valuations are reviewed annually as part of the CCCIF audit and receive greater scrutiny now that unquoted assets make up a greater proportion of the scheme portfolio. Included within equities are £nil (2023: £nil) of ordinary shares of Centrica plc via pooled funds that include a benchmark allocation to UK equities. Included within corporate bonds are £nil (2023: £nil) of bonds issued by Centrica plc, albeit minor exposure may be held within pooled funds over which the CCCIF has no ability to direct investment decisions. Apart from the investment in the Scottish Limited Partnerships which form part of the asset-backed contribution arrangements described in section (g) of this note, no direct investments are made in securities issued by Centrica plc or any of its subsidiaries or property leased to or owned by Centrica plc or any of its subsidiaries. The corporate bond, high-yield debt and liability matching asset categories headings above have segregated portfolio mandates which include the cash, cash funds and derivatives associated with the mandates.

The liability matching assets in the table above relate to the quoted LDI and gilts portfolio used to hedge against movements in interest rates and inflation. The other long-dated income assets are unquoted investments in infrastructure and similar assets.

Included within the Group Balance Sheet within non-current securities are £108 million (2023: £104 million) of investments, held in trust on behalf of the Group, as security in respect of the Centrica Unapproved Pension Scheme. Of the pension scheme liabilities above, £48 million (2023: £49 million) relate to this scheme.

(g) Pension scheme contributions

The Group estimates that it will pay £31 million of ordinary employer contributions during 2025 for its defined benefit schemes, together with £15 million of contributions paid via a salary sacrifice arrangement.

The actuarial valuation as at 31 March 2024 for the Registered Pensions Schemes has been agreed with the Pension Trustees. As at that date, the technical provisions deficit (funding basis) was £504 million. The Group committed to annual cash contributions to fund this pension deficit. The overall deficit contributions committed to, including the previously disclosed asset-backed contribution arrangements, totalled £175 million in 2024 (of which £99 million was after 31 March 2024), £146 million in 2025, £139 million in 2026 and £140 million in 2027; with a balancing payment of £44 million in 2028. Separately, a pension strain payment of £1 million associated with employee redundancies was also contributed in 2024 (2023: £5 million).

On a pure roll-forward basis, from 31 March 2024, using the same methodology and consequent assumptions, the technical provisions deficit (funding basis) would be around £450 million on 31 December 2024. Note that the valuation methodology and assumptions used for future assessments may differ from those previously used.

At the beginning of 2022, the Group had provided security of £745 million of letters of credit and £250 million cash in escrow to the Registered Pension Schemes. In October 2022, as part of a £400 million loan arrangement from Centrica plc to the Registered Pension Schemes to support the schemes' liquidity in the LDI portfolio at that time, this security was reduced by £545 million, so that only £450 million of letters of credit remained. This loan was repaid in October 2024, and replacement security was provided so that £819 million of letters of credit/surety bonds are in place at the year-end.

15. Acquisitions and disposals

This section details business combinations, asset acquisitions and disposals made by the Group.

(a) Business combinations and asset acquisitions

During the year, Centrica Business Solutions acquired a number of companies with existing grid connections for the purpose of building power assets in line with the Group's strategy of being a flexible energy provider. The total consideration was £13 million with the transactions being accounted for as asset acquisitions.

On 29 July 2024 the Group announced the acquisition of 100% of the issued share capital of Ensek Holdings Limited , a leading provider of digital transformation services in the energy sector, and its innovative customer account management platform, Ignition, for £91 million in cash consideration. The transaction completed on 20 September 2024. The acquisition will deliver strong returns aligned with the Group's capital allocation framework and investment thresholds and will enhance the Group's ability to offer innovative propositions to its customers as the energy system continues to develop.

There have been no material updates to the fair value of assets and liabilities recognised for businesses acquired in 2023.

Provisional fair value of the identifiable assets and liabilities

	Ensek Holdings Limited £m
Balance Sheet items	
Intangible assets	**31**
Current assets (including £12 million of cash and cash equivalents)	**30**
Current liabilities	**(51)**
Net identifiable assets acquired	**10**
Goodwill	**81**
Net assets acquired	**91**
Consideration comprises:	
Cash consideration	**91**
Income Statement items	
Revenue recognised since the acquisition date in the Group Income Statement [(i)]	**1**
Loss since the acquisition date in the Group Income Statement [(i)]	**(17)**

(i) Post-acquisition revenue recognised by Ensek included £11 million of intra-group trading, which has been eliminated on consolidation. The loss since the acquisition date reported by Ensek, including this internal revenue, totalled £6 million.

The goodwill is attributable to the workforce and the cost savings arising from owning and controlling the Ignition customer account management platform. It will not be deductible for tax purposes.

Pro forma information

The pro forma consolidated results of the Group, assuming the acquisitions had been made at the beginning of the year, would show revenue of £19,916 million (compared to reported revenue of £19,913 million) and profit after taxation of £1,327 million (compared to reported profit after taxation of £1,365 million).

(b) Disposals

During the year there have been no material disposals either individually or in aggregate.

16. Trade and other receivables and contract-related assets

Trade and other receivables include accrued income, and are amounts owed by our customers for goods we have delivered or services we have provided. These balances are valued net of expected credit losses. Other receivables include payments made in advance to our suppliers. Contract-related assets are balances arising as a result of the Group's contracts with customers in the scope of IFRS 15.

	2024		2023	
31 December	Current £m	Non-current £m	Current £m	Non-current £m
Financial assets:				
Trade receivables	**3,270**	**—**	2,991	—
Unbilled downstream energy income	**968**	**—**	1,065	—
Trading and energy procurement accrued income (i)	**1,653**	**—**	1,782	—
Other accrued income	**71**	**—**	76	—
Cash collateral posted	**191**	**—**	260	—
Other receivables (including contract assets) (ii)	**264**	**52**	221	104
	6,417	**52**	6,395	104
Less: provision for credit losses	**(1,532)**	**—**	(1,309)	—
	4,885	**52**	5,086	104
Non-financial assets: prepayments, other receivables and costs to obtain a contract with a customer (iii)	**319**	**127**	323	106
	5,204	**179**	5,409	210

(i) Trading and energy procurement counterparty receivables are typically with customers with external, published credit ratings. Such receivables have typically much lower credit risk than downstream counterparties, are settled in a short period of time and expected credit losses are not significant.

(ii) Other receivables includes amounts owed to Bord Gáis under public service obligation schemes of £90 million (2023: £97 million).

(iii) Includes costs of £28 million (2023: £10 million) incurred to obtain contracts with customers in the British Gas Energy and British Gas Services & Solutions segments. Costs are amortised over the expected tenure of the customer contract.

The amounts above include gross amounts receivable arising from the Group's IFRS 15 contracts with customers of £3,195 million (2023: £2,782 million). Additionally, accrued income of £1,032 million (2023: £1,115 million) arising under IFRS 15 contracts is included.

Trade and other receivables include financial assets representing the contractual right to receive cash or other financial assets from residential customers, business customers and treasury, trading and energy procurement counterparties as follows:

	2024		2023	
31 December	Current £m	Non-current £m	Current £m	Non-current £m
Financial assets by business type:				
Residential customers	**2,897**	**—**	2,725	3
Business customers	**1,517**	**50**	1,516	98
Treasury, trading and energy procurement counterparties	**2,003**	**2**	2,154	3
	6,417	**52**	6,395	104
Less: provision for credit losses	**(1,532)**	**—**	(1,309)	—
	4,885	**52**	5,086	104

16. Trade and other receivables and contract-related assets

Credit loss charge for trade and other receivables and contract assets

The impairment charge in trade receivables is stated net of credits for the release of specific provisions made in previous years, which are no longer required. These relate primarily to residential and business customers in the UK. Movements in the provision for credit losses by business type are as follows:

	2024				2023			
	Residential customers £m	Business customers £m	Treasury, trading and energy procurement counterparties £m	**Total £m**	Residential customers £m	Business customers £m	Treasury, trading and energy procurement counterparties £m	Total £m
1 January	(850)	(443)	(16)	**(1,309)**	(567)	(305)	—	(872)
Increase in impairment of trade receivables (predominantly related to credit impaired trade receivables) (i) (ii) (iii)	(245)	(132)	(6)	**(383)**	(396)	(198)	(16)	(610)
Receivables written off (iv)	111	46	3	**160**	113	60	—	173
31 December	**(984)**	**(529)**	**(19)**	**(1,532)**	(850)	(443)	(16)	(1,309)

(i) Includes £364 million (2023: £587 million) of credit losses related to trade receivables resulting from contracts in the scope of IFRS 15.
(ii) All loss allowances reflect the lifetime expected credit losses on trade receivables and contract assets.
(iii) Excludes recovery of previously written-off receivables of £10 million (2023: £8 million). Due to the large number of individual receivables and the matrix approach employed, any reduction in provision is reflected in a reduced charge for the relevant period, rather than in separately identifiable reversals of previous provisions.
(iv) Materially all write-offs relate to trade receivables where enforcement activity is ongoing. The gross carrying value of write-offs related to trade receivables where enforcement activity is ongoing was £122 million (2023: £142 million).

Year ended 31 December	**2024 £m**	2023 £m
Increase in impairment provision for trade receivables (per above)	**(383)**	(610)
Less recovery of previously written-off receivables	**10**	8
Credit losses on financial assets (per Group Income Statement)	**(373)**	(602)

Enforcement activity continues in respect of balances that have been written off unless there are specific known circumstances (such as bankruptcy) that render further action futile.

16. Trade and other receivables and contract-related assets

Credit loss charge for trade and other receivables and contract assets

Receivables from residential and business customers are generally considered to be credit impaired when the payment is past the contractual due date. The Group applies different definitions of default for different groups of customers, ranging from sixty days past the due date to six to twelve months from the issuance of a final bill. Receivables are generally written off only once a period of time has elapsed since the final bill. Contractual due dates range from falling due upon receipt to falling due in thirty days from receipt.

The table below shows credit impaired balances in gross receivables (those that are past due) and those that are not yet due and therefore not considered to be credit impaired.

Gross trade and other receivables

31 December	2024 £m	2023 £m
Balances that are not past due	**4,091**	4,403
Balances that are past due [(i)]	**2,326**	1,992
	6,417	6,395

(i) The majority of balances that are past due relate to residential and business customers, ageing of these receivables is included in the credit risk tables in the sections below.

The IFRS 9 impairment model is applicable to the Group's financial assets including trade receivables, contract assets and other financial assets using the simplified approach. As the majority of the relevant balances are trade receivables and contract assets to which the simplified model applies, this disclosure focuses on these balances.

The provision for credit losses for trade receivables and contract assets is based on an expected credit loss model that calculates the expected loss applicable to the receivable balance over its lifetime. Expected credit losses on receivables due from treasury, trading and energy procurement counterparties are not significant. For residential and business customers default rates are calculated initially by considering historical loss experience and applied to trade receivables within a provision matrix. The matrix approach allows application of different default rates to different groups of customers with similar characteristics. These groups are determined by a number of factors including: the nature of the customer, the payment method selected and, where relevant, the sector in which they operate. The characteristics used to determine the groupings of receivables are the factors that have the greatest impact on the likelihood of default. The rate of default increases once the balance is thirty days past due.

Concentration of credit risk in trade and other receivables

Treasury, trading and energy procurement counterparty receivables are typically with customers with external, published credit ratings. Such receivables have typically much lower credit risk than downstream counterparties, and that risk is assessed primarily by reference to the credit ratings rather than to the ageing of the relevant balance.

The Group's posted cash collateral balance has decreased to £191 million in 2024 (2023: £260 million). Collateral counterparties typically have strong credit ratings and accordingly have low credit risk; the Group does not expect credit losses to arise on these balances.

The majority of the Group's credit exposure arises in the British Gas Energy and Centrica Business Solutions segments and relates to residential and business energy customers. The credit risk associated with these customers is assessed as described above, using a combination of the age of the receivable in question, internal ratings based on a customer's payment history, and external data from credit rating agencies and wider macroeconomic information. The disclosures below reflect the information that is reported internally for credit risk management purposes in these segments.

16. Trade and other receivables and contract-related assets

British Gas Energy credit risk

Of the Group total of £3,270 million (2023: £2,991 million) billed trade receivables, the British Gas Energy reporting segment contributes £2,768 million (2023: £2,380 million). British Gas Energy includes small business customers on the basis that their profile closely matches those of residential customers. As described above, credit risk is concentrated in receivables from energy customers who pay in arrears. Gross receivables from British Gas Energy residential customers amount to £1,945 million (2023: £1,651 million) and are analysed below.

Trade receivables due from British Gas residential energy customers as at 31 December (i)	**2024**					2023				
Days beyond invoice date (ii)	< 30 days £m	30-90 days £m	>90 days £m	**Total £m**	Percentage of credit risk	< 30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk
Risk profile										
Direct debits (iii)										
Gross receivables	303	67	227	**597**		310	55	171	536	
Provision	—	—	(10)	**(10)**		—	—	(7)	(7)	
Net	303	67	217	**587**	**2%**	310	55	164	529	1%
Payment on receipt of bill (iii)										
Gross receivables	89	56	815	**960**		114	71	650	835	
Provision	(4)	(8)	(445)	**(457)**		(4)	(9)	(412)	(425)	
Net	85	48	370	**503**	**48%**	110	62	238	410	51%
Final bills (iv)										
Gross receivables	19	22	347	**388**		21	27	232	280	
Provision	(7)	(14)	(311)	**(332)**		(4)	(12)	(199)	(215)	
Net	12	8	36	**56**	**86%**	17	15	33	65	77%
Total net British Gas residential energy customers trade receivables	**400**	**123**	**623**	**1,146**	**41%**	437	132	435	1,004	39%

(i) The receivables information presented in this table relates to downstream customers who pay energy bills using the methods presented. It excludes low residual credit risk amounts, such as balances in the process of recovery through pay-as-you-go energy (PAYGE) arrangements and amounts receivable from PAYGE energy vendors. Gross amounts in the process of recovery through PAYGE arrangements at 31 December 2024 are £114 million (2023: £154 million), against which a provision of £92 million is held (2023: £117 million).

(ii) This ageing analysis is presented relative to invoicing date and presents receivables according to the oldest invoice outstanding with the customer. There are a range of payment terms extended to residential energy customers. Amounts paid on receipt of a bill (PORB), which are settled using bank transfers, cash or cheques are typically due within fourteen days of invoicing. Direct debit customers typically pay in equal instalments over a twelve-month period.

(iii) Receivables settled by direct debit are deemed to present a lower credit risk than PORB amounts. This is reflected in the relative level of provision held for these types of receivables.

(iv) Final bill customers are those who are no longer customers of the Group and have switched energy supplier. These balances are deemed to have the highest credit risk.

Gross receivables from British Gas Energy small business customers amount to £709 million (2023: £575 million) and are analysed below.

Trade receivables due from British Gas small business energy customers as at 31 December	**2024**					2023				
Days beyond invoice date (i)	< 30 days £m	30-90 days £m	>90 days £m	**Total £m**	Percentage of credit risk	< 30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk
Risk profile										
Small businesses										
Gross receivables	116	59	534	**709**		115	53	407	575	
Provision	(3)	(10)	(405)	**(418)**		(3)	(8)	(302)	(313)	
Total net British Gas small business energy customers trade receivables	**113**	**49**	**129**	**291**	**59%**	112	45	105	262	54%

(i) This ageing analysis is presented relative to invoicing date and presents receivables according to the oldest invoice outstanding with the customer. There are a range of payment terms extended to business energy customers. Standard credit terms for small business customers are ten working days.

Unbilled downstream energy income at 31 December 2024 includes gross balances of £670 million (2023: £693 million) in respect of British Gas energy customers against which a provision of £56 million (2023: £56 million) is held.

16. Trade and other receivables and contract-related assets

Centrica Business Solutions energy credit risk

Of the Group total of £3,270 million (2023: £2,991 million) billed trade receivables, the Centrica Business Solutions reporting segment contributes £238 million (2023: £313 million). As described above, credit risk is concentrated in receivables from business energy customers who pay in arrears, the remaining balances being immaterial in disaggregation. Gross receivables from these customers amount to £201 million (2023: £269 million) and are analysed below.

Trade receivables due from Centrica Business Solutions business energy customers as at 31 December	**2024**					2023				
Days beyond invoice date (i)	< 30 days £m	30-90 days £m	>90 days £m	**Total £m**	Percentage of credit risk	< 30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk
Risk profile										
Commercial and industrial (ii)										
Gross receivables	22	4	15	**41**		75	9	26	110	
Provision	—	—	(10)	**(10)**		—	—	(13)	(13)	
Net	22	4	5	**31**	**24%**	75	9	13	97	12%
Medium-sized entities										
Gross receivables	41	14	105	**160**		50	19	90	159	
Provision	—	—	(64)	**(64)**		—	(1)	(57)	(58)	
Net	41	14	41	**96**	**40%**	50	18	33	101	36%
Total net Centrica Business Solutions business energy customers trade receivables	**63**	**18**	**46**	**127**	**37%**	125	27	46	198	26%

(i) This ageing analysis is presented relative to invoicing date and presents receivables according to the oldest invoice outstanding with the customer. There are a range of payment terms extended to business energy customers. Standard credit terms for medium-sized entity customers are ten working days. Credit terms for commercial and industrial customers are bespoke and are set based on the commercial agreement with each customer.

(ii) This category includes low credit risk receivables, including those from public sector and customers with high turnover (greater than £100 million).

Unbilled downstream energy income at 31 December 2024 includes gross balances of £148 million (2023: £239 million) in respect of Centrica Business Solutions business energy customers against which a provision of £6 million (2023: £14 million) is held.

The remaining reporting segments which are not shown above are not considered to have material credit risk.

16. Trade and other receivables and contract-related assets

Sensitivity to changes in assumptions

Typically, the most significant assumption included within the expected credit loss provisioning model that gives rise to estimation uncertainty is that future performance will be reflective of past performance and that there will be no significant change in the payment profile or recovery rates within each identified group of receivables. To address this risk, the Group reviews and updates default rates, by group, on a regular basis to ensure they incorporate the most up to date assumptions along with forward-looking information where available and relevant. The Group also considers regulatory changes and customer segment specific factors that may have an impact, now or in the future, on the recoverability of the balance.

The specific consideration of forward-looking information in the impairment model does not usually give rise to significant changes in the levels of credit losses. However, wholesale gas and electricity costs have trended upwards during 2024 and continue to cause uncertainty in economic outlook; there remains a level of estimation uncertainty inherent in determining credit loss provisions for the Group's trade receivables.

Where customers experience difficulties in settling balances, the increased ageing of these amounts results in an increase in provisions held in respect of them under the provision matrix approach employed. The Group has also considered changes in customer payment patterns, the specific circumstances of the customers and the economic impacts of the factors identified above, on the sectors in which they operate. Whilst economic recovery is expected, a level of unpredictability remains apparent.

Customers are facing continued pressures relating to their cost of living, including increased energy bills and higher interest rates. The Group has considered macroeconomic forecasts and sensitivities, as well as disposable income analysis from a credit rating agency, to model and determine the level of provisions for credit losses.

During 2024 the Group recognised credit losses of £373 million (2023: £602 million) in respect of financial assets, representing 1.9% of total Group revenue (2023: 2.3%) and 1.5% (2023: 1.8%) of total Group revenue from business performance. As described above, the majority of the Group's credit exposure arises in respect of downstream energy receivables in British Gas Energy and Centrica Business Solutions. Credit losses in respect of these assets amounted to £359 million (2023: £554 million). This represents 2.5% (2023: 2.6%) of total UK downstream energy supply revenue from these segments of £14,424 million (2023: £21,046 million). Further details of segmental revenue are provided in note 5.

Due to the different level of risks presented by billed and unbilled receivables, these asset groups are considered separately in the analysis below.

Billed trade receivables

	31 December 2024 £m	31 December 2023 £m
Trade receivables (i)	**3,270**	2,991
Provision	**(1,471)**	(1,240)
Net balance	**1,799**	1,751

	31 December 2024 %	31 December 2023 %
Provision coverage	**45**	41
Sensitivity	**£m**	£m
Impact on billed receivables/operating profit from 1 percentage point (increase)/decrease in provision coverage (i)	**(33)/33**	(30)/30

(i) Credit risk in the Group is impacted by a large number of interacting factors.

16. Trade and other receivables and contract-related assets

The commodity price environment during the second half of 2024 has trended upwards, keeping the operating landscape challenging in line with wider macroeconomic conditions including higher interest rates and higher than targeted inflation rates. Total provision coverage has increased during the year primarily due to the continued deterioration in the collection performance of customers who pay on receipt of their bill. This decline is driven by older aged debt, accrued during the cost-of-living crisis. Improving the recovery of debt within this cohort of customers is a key focus for British Gas Energy. As a percentage of debt, the total provision has remained largely consistent compared to prior year. The increase in the provision coverage is also due to a change in the mix of debt within the portfolio as the proportion of unbilled debt has decreased due to shorter billing cycles processed by the Group's newly acquired digital customer management platform, Ensek.

Limited field activity has resumed during the year, although warrant visits remain suspended, with only a minimal level of voluntary credit to prepayment meter exchanges taking place. This has been partially mitigated by the resumption of litigation activity during the year, however debt levels relating to distressed customer accounts are continuing to increase. Final billed provision coverage has also increased during the year due to a decrease in the recovery of debt relating to change of tenancy customers. The increase in provision coverage in the Group's business portfolio has been driven primarily due to the change in mix of customers with typically lower-risk large customers making up a smaller proportion of business credit provisions as a result of management's strategic decision to exit this market. Similar to the residential portfolio, the lack of significant warrant activity during the year has an adverse impact on business collection performance, particularly in relation to older aged debt.

There remains significant uncertainty around the persistent impact of macroeconomic conditions on bad debt. Although leading debt indicators including the new customers going into debt, insolvency volumes in business and direct debit cancellation rates in residential have started to level off during 2024, they remain at levels higher than before the cost-of-living crisis. The delayed impact on customer payments are now broadly reflected in the underlying matrix output model used to record provision coverage, hence the reduction in the additional macroeconomic provision to £49 million (2023: £175 million). Management considers the impact of specific cohorts of customers referenced in the previous tables when making this assessment, recognising the different credit terms and different risk profiles that exist. This assessment also utilises a range of factors, both internal and external, historic and forward-looking, and considers the sensitivities of these to help management estimate the likely recovery of debt.

It remains uncertain as to when and how these factors will reduce the collectability of debt and at what scale. Future changes in commodity prices may also impact this. The table above and the unbilled section below provide details of the sensitivity of moving the debt provision by a further 1%.

The Group's services, upstream and trading operations are less susceptible to credit risk. No significant deterioration of credit risk has been experienced or is expected in the relevant segments in respect of billed trade receivables recognised at 31 December 2024, taking into account cash collection cycles in those areas of the Group and credit rating information.

Unbilled downstream energy income

The table below shows the IFRS 15 unbilled downstream energy income for the Group as a whole.

	31 December 2024 £m	31 December 2023 £m
Gross unbilled receivables	**968**	1,065
Provision	**(61)**	(69)
Net balance	**907**	996

	31 December 2024 %	31 December 2023 %
Provision coverage	**6**	6
Sensitivity	**£m**	£m
Impact on unbilled receivables/operating profit from 1 percentage point (increase)/decrease in provision coverage (i)	**(10)/10**	(11)/11

(i) Credit risk in the Group is impacted by a large number of interacting factors.

Unbilled downstream energy income is typically provided at a significantly lower rate than billed debt. This is because a large proportion of this debt once billed will be subject to the very short cash collection cycles of the Group's downstream energy supply businesses.

17. Provisions for liabilities and charges

Provisions are recognised when an obligation exists that can be reliably measured, but where there is uncertainty over the timing and/or amount of the payment. The main provisions relate to decommissioning costs for upstream assets we own, or have owned, which require restoration or remediation, along with onerous supply contracts. Further provisions relate to restructuring costs, and legal and regulatory matters.

	1 January 2024 £m	Charged in the year £m	Notional interest £m	Unused and reversed in the year £m	Utilised £m	Revisions and additions £m	Transfers (iv) £m	Exchange adjustments £m	**31 December 2024 £m**
Current									
Restructuring costs	(11)	(7)	—	5	5	—	—	—	**(8)**
Decommissioning costs (i) (ii)	(132)	—	—	—	80	—	(51)	—	**(103)**
Onerous contracts provision	(30)	(86)	—	14	6	—	(8)	—	**(104)**
Other (iii)	(106)	(103)	—	31	25	—	—	—	**(153)**
Total	**(279)**	**(196)**	**—**	**50**	**116**	**—**	**(59)**	**—**	**(368)**

	1 January 2024 £m	Charged in the year £m	Notional interest £m	Unused and reversed in the year £m	Revisions and additions £m	Transfers (iv) £m	Exchange adjustments £m	**31 December 2024 £m**
Non-current								
Restructuring costs	(4)	(3)	—	—	—	—	—	**(7)**
Decommissioning costs (i) (ii)	(1,395)	(21)	(23)	18	9	51	5	**(1,356)**
Onerous contracts provision	(25)	—	—	2	—	8	—	**(15)**
Other (iii)	(45)	(71)	—	3	(2)	—	—	**(115)**
Total	**(1,469)**	**(95)**	**(23)**	**23**	**7**	**59**	**5**	**(1,493)**

Included within the above liabilities are the following financial liabilities:

	2024		2023	
31 December	**Current £m**	**Non-current £m**	Current £m	Non-current £m
Restructuring costs	**(8)**	**(7)**	(11)	(4)
Provisions other than restructuring costs	**(249)**	**(113)**	(123)	(60)
	(257)	**(120)**	(134)	(64)

Maturity profile of decommissioning provisions

31 December	**2024 £m**
2025-2029	**(642)**
2030-2034	**(717)**
2035-2039	**(88)**
2040-2044	**(9)**
2045-2049	**(2)**
2050-2054	**(1)**
	(1,459)

(i) Provision has been made for the estimated net present cost of decommissioning gas production facilities at the end of their useful lives. The estimate has been based on 2P reserves, price levels and technology at the balance sheet date. The payment dates of decommissioning costs are dependent on the lives of the facilities, but utilisation of the provision is expected to occur until the 2050s. The maturity profile of total decommissioning provisions is analysed above. The rate used to discount decommissioning provisions is 2% (2023: 1%). See note 3.

(ii) Included in the provision balance as at 31 December 2024 is £1,139 million held in Spirit Energy, £302 million in relation to the Rough field, and £18 million in the remainder of the business.

(iii) Other provisions have been made for dilapidations, insurance, legal, warranty and various other claims.

(iv) Relates to amounts transferred between current and non-current provisions.

18. Leases, commitments and contingencies

(a) Commitments and leases

Commitments are not held on the Group's Balance Sheet as these are executory arrangements, and relate to amounts that we are contractually required to pay in the future as long as the other party meets its contractual obligations.

The Group's commitments in relation to commodity purchase contracts disclosed below are stated net of amounts receivable under commodity sales contracts where there is a right of offset with the counterparty, and are based on the expected minimum quantities of gas and other commodities that the Group is contracted to buy at estimated future prices.

The Group's 20-year agreement with Cheniere to purchase 89bcf per annum of LNG volumes for export from the Sabine Pass liquefaction plant in the US commits the Group to capacity payments of £3.2 billion (included in 'LNG capacity' below) between 2024 and 2039. It also allows the Group to make up to £4.6 billion of commodity purchases based on market gas prices and foreign exchange rates as at the reporting date.

During 2019, the Group signed a 20-year agreement to purchase LNG volumes from Mozambique LNG1 Company. The commercial start date is 2029 and under this agreement the Group is committed to make commodity purchases expected to amount to £7.9 billion based on market gas and oil prices at the reporting date.

During 2023, the Group signed a 15-year agreement to purchase LNG volumes from Delfin LNG. The provisional commencement date is 2029 and under this agreement the Group is committed to make commodity purchases expected to amount to £4.7 billion based on market gas prices at the reporting date.

During 2024, the Group signed a 3-year agreement to purchase LNG volumes from Repsol LNG Holding between 2025 and 2027. Under this agreement the Group is committed to make commodity purchases amounting to £556 million based on market gas prices and foreign exchange rates at the reporting date. The Group also signed two 10-year natural gas sale and purchase agreements with Coterra Energy and its subsidiary, Cimarex Energy, commencing in 2028. Under these agreements, the Group is committed to purchase natural gas amounting to £1.5 billion based on market gas prices and foreign exchange rates at the reporting date.

These LNG contracts are deemed to be own use and therefore are accounted for on an accruals basis. Based on forecast gas spreads, they are predicted to be profitable but due to their duration are exposed over a long period of time to the impact of governmental policy decisions in relation to climate change.

The Group has numerous renewable power purchase arrangements where renewable obligation certificates are purchased as power is produced. This gives rise to the commitments below.

31 December	**2024 £m**	2023 £m
Commitments in relation to the acquisition of PP&E	**72**	56
Commitments in relation to the acquisition of intangible assets:		
Renewable obligation certificates	**2,786**	3,369
Other intangible assets	**261**	323
Other commitments:		
Commodity purchase contracts	**32,461**	40,908
LNG capacity	**4,171**	4,230
Transportation capacity	**187**	266
Other long-term commitments (i)	**328**	414

(i) Other long-term commitments include amounts in respect of executory contracts and the smart meter roll-out programme.

The maturity analysis for commodity purchase contract commitments at 31 December is given below:

	Commodity purchase contract commitments			
	Fixed price commodity commitments		Commodity commitments that float with indices	
31 December	**2024 £bn**	2023 £bn	**2024 £bn**	2023 £bn
<1 year	**5.3**	5.9	**4.6**	6.3
1–2 years	**0.9**	1.3	**1.3**	5.0
2–3 years	**0.2**	0.2	**0.9**	1.9
3–4 years	**–**	0.2	**0.6**	1.6
4–5 years	**–**	–	**1.3**	1.2
>5 years	**–**	0.1	**17.4**	17.2
	6.4	7.7	**26.1**	33.2

18. Leases, commitments and contingencies

(b) Guarantees and indemnities

This section discloses any guarantees and indemnities that the Group has given, where we may have to provide security in the future against existing and future obligations that will remain for a specific period.

In connection with the Group's energy trading, transportation and upstream activities, certain Group companies have entered into contracts under which they may be required to prepay, provide credit support or provide other collateral in the event of a significant deterioration in creditworthiness. The extent of credit support is contingent upon the balance owing to the third party at the point of deterioration.

As at 31 December 2024 £401 million (2023: £279 million) of letters of credit and on-demand payment bonds have been issued in respect of decommissioning obligations included in the Group Balance Sheet.

(c) Contingent liabilities

The Group has no material contingent liabilities.

19. Events after the balance sheet date

The Group updates disclosures in light of new information being received, or a significant event occurring, in the period between 31 December 2024 and the date of this report.

The Directors propose a final dividend of 3.00 pence per ordinary share for the year ended 31 December 2024 (which would total £153 million based on shareholding at that date). The dividend will be submitted for formal approval at the Annual General Meeting to be held on 8 May 2025 and, subject to approval, will be paid on 5 June 2025 to those shareholders registered on 2 May 2025.

The Group also announced an intention to extend the existing share buyback programme of £1.5 billion by an additional £500 million.

In February 2025, the full, triennial actuarial valuations of the UK Registered Pension Schemes, as at 31 March 2024, were agreed and finalised with the Pension Trustees. See note 14 for further information, including updated prospective contribution details.

Gas and Liquids Reserves (Unaudited)

The Group's estimates of reserves of gas and liquids are reviewed as part of the full year reporting process and updated accordingly.

A number of factors affect the volumes of gas and liquids reserves, including the available reservoir data, commodity prices and future costs. Due to the inherent uncertainties and the limited nature of reservoir data, estimates of reserves are subject to change as additional information becomes available.

The Group discloses 2P gas and liquids reserves, representing the central estimate of future hydrocarbon recovery. Reserves for Centrica operated fields are estimated by in-house technical teams composed of geoscientists and reservoir engineers. Reserves for non-operated fields are estimated by the operator but are subject to internal review and challenge.

As part of the internal control process related to reserves estimation, an assessment of the reserves, including the application of the reserves definitions, is undertaken by an independent technical auditor. An annual reserves assessment has been carried out by RISC Advisory for the Group's global reserves. Reserves are estimated in accordance with a formal policy and procedure standard.

The Group has estimated 2P gas and liquids reserves in Europe.

The principal retained fields in Spirit Energy are Cygnus, Morecambe Hub, Rhyl and Chiswick. The principal non-Spirit Energy field is Rough. The European reserves estimates are consistent with the guidelines and definitions of the Society of Petroleum Engineers, the Society of Petroleum Evaluation Engineers and the World Petroleum Council's Petroleum Resources Management System using accepted principles.

Estimated net 2P reserves of gas (billion cubic feet)	Spirit Energy (i)	Rough	**Total**
1 January 2024	242	15	**257**
Revisions of previous estimates (ii)	(16)	–	**(16)**
Production (iii)	(51)	(1)	**(52)**
31 December 2024	175	14	**189**

Estimated net 2P reserves of liquids (million barrels)	Spirit Energy (i)	Rough	**Total**
1 January 2024	1	–	**1**
Revisions of previous estimates (ii)	1	–	**1**
Production (iii)	(1)	–	**(1)**
31 December 2024	1	–	**1**

Estimated net 2P reserves (million barrels of oil equivalent)	Spirit Energy (i)	Rough	**Total**
31 December 2024 (iv)	30	3	**33**

(i) The movements represent Centrica's 69% interest in Spirit Energy.
(ii) Revision of previous estimates include those associated with Morecambe Hub, Chiswick and Cygnus.
(iii) Represents total sales volumes of gas and liquids produced from the Group's reserves.
(iv) Includes the total of estimated gas and liquids reserves at 31 December 2024 in million barrels of oil equivalent.

Liquids reserves include oil, condensate and natural gas liquids.

Five Year Summary (Unaudited)

Year ended 31 December	2020 (restated) [i] £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Total Group revenue from continuing operations included in business performance	14,949	18,300	33,637	33,374	**24,636**
Operating profit/(loss) from continuing operations before exceptional items and certain re-measurements:					
British Gas Services & Solutions [i]	191	121	(9)	47	**67**
British Gas Energy [i]	82	118	72	751	**297**
Bord Gáis Energy [i]	42	28	31	1	**63**
Centrica Business Solutions [i]	(132)	(52)	44	104	**73**
Centrica Energy [i]	174	70	1,400	774	**307**
Upstream [i]	90	663	1,793	1,083	**789**
Colleague profit share	—	—	(23)	(8)	**(25)**
Meter asset provider consolidation adjustment	—	—	—	—	**(19)**
	447	948	3,308	2,752	**1,552**
Operating profit from discontinued operations before exceptional items and certain re-measurements [i]	252	—	—	—	**—**
Exceptional items and certain re-measurements after taxation	(520)	866	(2,755)	2,165	**322**
Profit/(loss) attributable to equity holders of the parent	41	1,210	(782)	3,929	**1,332**

	Pence	Pence	Pence	Pence	**Pence**
Earnings per ordinary share	0.7	20.7	(13.3)	70.6	**25.7**
Adjusted earnings per ordinary share	6.5	4.1	34.9	33.4	**19.0**
Dividend per ordinary share in respect of the year	—	—	3.0	4.0	**4.5**

Assets and liabilities

31 December (restated) [ii]	2020 £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Goodwill and other non-current intangible assets	1,940	1,161	1,116	745	**796**
Other non-current assets	4,767	6,040	7,234	4,555	**3,793**
Net current assets/(liabilities)	622	1,465	(1,023)	4,930	**5,242**
Non-current liabilities	(8,072)	(6,360)	(6,047)	(5,997)	**(5,019)**
Net assets of disposal groups held for sale	2,125	444	—	—	**—**
Net assets	1,382	2,750	1,280	4,233	**4,812**
Adjusted net (debt)/cash (note 11) [ii]	(2,998)	680	1,199	2,744	**2,858**

Cash flows

Year ended 31 December (restated) [ii]	2020 £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Net cash flow from operating activities before exceptional payments	1,532	1,687	1,338	2,758	**1,155**
Payments relating to exceptional charges in operating costs	(132)	(76)	(24)	(6)	**(6)**
Net cash flow from investing activities	(285)	2,263	(566)	115	**493**
Net cash flow before cash flow from financing activities	1,115	3,874	748	2,867	**1,642**

(i) Results have been restated to reflect the new operating structure of the Group, effective during 2021.
(ii) Results have been restated to reflect the change in definition of adjusted net cash/debt in 2021.

Additional Information – Explanatory Notes (Unaudited)

Definitions and reconciliation of adjusted performance measures

Centrica's 2024 Preliminary Results include a number of non-GAAP measures. These measures are chosen as they provide additional useful information on business performance and underlying trends. They are also used to measure the Group's performance against its strategic financial framework. They are not however, defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies. Where possible they have been reconciled to the statutory equivalents from the primary statements (Group Income Statement (I/S), Group Balance Sheet (B/S), Group Cash Flow Statement (C/F)) or the notes to the Financial Statements.

Adjusted revenue, adjusted gross margin, adjusted operating profit, adjusted earnings and free cash flow have been defined and reconciled separately in notes 2, 5 and 10 to the Financial Statements where further explanation of the measures is given. Additional performance measures are used within these Financial Statements to help explain the performance of the Group and these are defined and reconciled below. Further information has been provided to help readers when reconciling between different parts of the consolidated Group Financial Statements, and when reconciling cash flow measures to the Group Cash Flow Statement.

Adjusted EBITDA

Adjusted EBITDA is a business performance measure of operating profit, after adjusting for depreciation and amortisation. It provides a performance measure in its own right, and provides a bridge between the Income Statement and the Group's key cash metrics.

Year ended 31 December	Notes	2024 £m	2023 £m	Change
Group operating profit	I/S	**1,703**	6,512	
Exceptional items included within Group operating profit and certain re-measurements before taxation	6	**128**	645	
Certain re-measurements before taxation	6	**(279)**	(4,405)	
Share of taxation, depreciation and amortisation of joint ventures and associates	12	**257**	206	
Depreciation and impairments of PP&E [(i)]	5	**409**	404	
Amortisation and impairments of intangibles [(i)]	5	**87**	138	
Group total adjusted EBITDA including share of EBITDA from joint ventures and associates		**2,305**	3,500	(34)%
Less: share of EBITDA from joint ventures and associates	12	**(513)**	(415)	
Group total adjusted EBITDA		**1,792**	3,085	(42)%

(i) These line items relate to business performance only.

The below table shows how adjusted EBITDA reconciles to free cash flow:

Year ended 31 December	Notes	2024 £m	2023 £m
Adjusted EBITDA		**1,792**	3,085
Group operating profit including share of joint ventures and associates, from exceptional items and certain re-measurements	I/S	**151**	3,760
Share of losses of joint ventures and associates, net of interest and taxation, from exceptional items and certain re-measurements	I/S	**—**	1
Depreciation, amortisation and impairments, from exceptional items and certain re-measurements	I/S	**75**	645
Gain on disposals	C/F	**(4)**	—
Increase/(decrease) in provisions	C/F	**110**	(1,021)
Cash contributions to defined benefit schemes in excess of service cost income statement charge	C/F	**(208)**	(215)
Employee share scheme costs	C/F	**47**	31
Unrealised losses/(gains) arising from re-measurement of energy contracts	C/F	**96**	(2,949)
Net movement in working capital	C/F	**(252)**	244
Taxes paid	C/F	**(636)**	(803)
Operating interest paid	C/F	**(16)**	(20)
Payments relating to exceptional charges in operating profit	C/F	**(6)**	(6)
Net cash flow from operating activities		**1,149**	2,752
Purchase of businesses and assets, net of cash acquired	C/F	**(92)**	(34)
Sale of businesses, including receipt of deferred consideration	C/F	**4**	55
Purchase of property, plant and equipment and intangible assets	C/F	**(416)**	(335)
Investments in joint ventures and associates	C/F	**—**	(9)
Dividends received from joint ventures and associates	C/F	**355**	220
Net purchase of other investments	C/F	**(56)**	(37)
UK pension deficit payments	5	**176**	180
Movements in variation margin and collateral	5	**(131)**	(585)
Group total free cash flow	5	**989**	2,207

The below table shows the reconciliation from net movement in working capital to adjusted net movement in working capital:

Year ended 31 December	Notes	2024 £m	2023 £m
Decrease in inventories	C/F	**164**	186
Decrease in trade and other receivables and contract-related assets relating to business performance	C/F	**241**	2,911
Decrease in trade and other payables and contract-related liabilities relating to business performance	C/F	**(657)**	(2,853)
Net movement in working capital		**(252)**	244
Less: Movements in collateral included within working capital	4	**(47)**	(477)
Other reconciling items:			
Decrease in provisions related to business performance, excluding payments related to decommissioning provisions (i)		**(5)**	(15)
Unrealised gains arising from re-measurement of energy contracts relating to business performance		**429**	518
Operating interest paid	C/F	**(16)**	(20)
Other		**15**	(6)
Adjusted net movement in working capital		**124**	244

(i) Decrease in provisions related to business performance excludes payments related to decommissioning provisions of £80 million (2023: £173 million).

Definitions and reconciliation of adjusted performance measures

Group net investment

With an increased focus on cash generation, capital discipline and managing adjusted net cash/debt, Group net investment provides a measure of the Group's capital expenditure from a cash perspective and allows the Group's capital discipline to be assessed.

Year ended 31 December	Notes	2024 £m	2023 £m	Change
Capital expenditure (including small acquisitions) [(i)]		564	415	
Net disposals [(ii)]		(4)	(55)	
Group net investment		**560**	360	56%
Dividends received from joint ventures and associates	C/F	(355)	(220)	
Interest received	C/F	(317)	(267)	
Settlement of securities	C/F	(400)	—	
Purchase of securities	C/F	19	12	
Net cash inflow from investing activities	C/F	**(493)**	(115)	329%

(i) Capital expenditure is the net cash flow on capital expenditure, purchases of businesses, assets and other investments, and investments in joint ventures and associates (less than £100 million). See table (a).

(ii) Net disposals is the net cash flow from sales of businesses, and property, plant and equipment and intangible assets. See table (b).

Group net investment is capital expenditure including acquisitions less net disposals. It excludes cash flows from investing activities not associated with capital expenditure as detailed in the table above.

(a) Capital expenditure (including small acquisitions)

Year ended 31 December	Notes	2024 £m	2023 £m	Change
Purchase of property, plant and equipment and intangible assets	C/F	416	335	
Purchase of businesses and assets, net of cash acquired	C/F	92	34	
Investment in joint ventures and associates	C/F	—	9	
Net purchase of other investments	C/F	56	37	
Capital expenditure (including small acquisitions)		**564**	415	36%

(b) Net disposals

Year ended 31 December	Notes	2024 £m	2023 £m	Change
Sale of businesses, including receipt of deferred consideration	C/F	(4)	(55)	
Net disposals		**(4)**	(55)	(93)%

Definitions and reconciliation of adjusted performance measures

The following tables provide additional information to help readers when reconciling between different parts of the consolidated Group Financial Statements, and the Group Cash Flow Statement.

Reconciliation from free cash flow to change in adjusted net cash

Year ended 31 December	Notes	2024 £m	2023 £m
Group total free cash flow	5	**989**	2,207
Financing interest paid	C/F	**(283)**	(286)
Interest received	C/F	**317**	267
Premium paid on debt repurchase	6	**(68)**	—
UK pension deficit payments	5	**(176)**	(180)
Proceeds from exercise of share options	C/F	**—**	6
Payments for own shares	C/F	**(8)**	—
Share buyback programme	C/F	**(499)**	(613)
Distributions to non-controlling interests	C/F	**—**	(17)
Equity dividends paid	C/F	**(219)**	(186)
Movements in variation margin and collateral	5	**131**	585
Cash flows affecting adjusted net cash		**184**	1,783
Non-cash movements in adjusted net cash		**(70)**	(238)
Change in adjusted net cash		**114**	1,545
Opening adjusted net cash	11	**2,744**	1,199
Closing adjusted net cash	11	**2,858**	2,744

Reconciliation of adjusted net cash to unadjusted net cash

Adjusted net cash is a business performance measure used by management to assess the underlying indebtedness of the business.

Year ended 31 December	Notes	2024 £m	2023 £m
Adjusted net cash	11	**2,858**	2,744
Less: current and non-current securities	11	**(139)**	(521)
Less: sub-lease assets	11	**—**	(2)
Unadjusted net cash		**2,719**	2,221

Definitions and reconciliation of adjusted performance measures

Depreciation, amortisation and impairments

Year ended 31 December	Notes	2024 £m	2023 £m
Movement from depreciation, amortisation and impairments, from exceptional items included in the Group Cash Flow Statement	6	**75**	645
Comprised of:			
Impairment of power assets	6	**75**	563
Impairment of gas storage asset	6	**–**	82
Movement from depreciation, amortisation and impairments, from business performance included in the Group Cash Flow Statement		**496**	542
Comprised of:			
Business Performance PP&E depreciation	5	**387**	395
Business Performance PP&E impairments	5	**22**	9
Business Performance intangibles amortisation	5	**86**	123
Business Performance intangibles impairments	5	**1**	15
Movement from depreciation, amortisation and impairments included in the Group Cash Flow Statement		**571**	1,187

Reconciliation of receivables and payables to Group Cash Flow Statement

Year ended 31 December	Notes	2024 £m	2023 £m
Receivables opening balance	B/S	**5,619**	8,579
Less: receivables closing balance	B/S	**(5,383)**	(5,619)
Payables (incl. insurance contract liabilities) opening balance	B/S	**(7,372)**	(10,341)
Less: payables (incl. insurance contract liabilities) closing balance	B/S	**6,742**	7,372
Net movement in receivables and payables		**(394)**	(9)
Non-cash changes, and other reconciling items:			
Movement in share buyback liability		**19**	113
Business acquisitions and disposals		**(28)**	(55)
Movement in capital creditors		**(20)**	8
Movement in ROCs and emission certificate intangible assets		**(26)**	(13)
Other movements (including foreign exchange movements)		**33**	14
Non-cash changes, and other reconciling items		**(22)**	67
Movement in trade and other receivables, trade and other payables and contract-related assets/liabilities relating to business performance	C/F	**(416)**	58

Pensions

Year ended 31 December	Notes	2024 £m	2023 £m
Cash contributions to defined benefit schemes in excess of service cost income statement charge	C/F	**(208)**	(215)
Ordinary employer contributions	14	**(51)**	(56)
UK pension deficit payments	14	**(176)**	(180)
Contributions by employer in respect of employee salary sacrifice arrangements	14	**(24)**	(24)
Total current service cost, including salary sacrifice	14	**42**	46
Termination cost/(benefit)	14	**1**	(1)

Disclosures

Disclaimer

This announcement does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Centrica shares or other securities. This announcement contains certain forward-looking statements, forecasts and projections that reflect the current intentions, beliefs or expectations of Centrica's Management with respect to, the Group's financial condition, goals and commitments, prospects, growth, strategies, results, operations and businesses of Centrica.

These statements only take into account information that was available up to and including the date that this announcement was prepared and can be identified by the use of terms such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'forecasts', 'may', 'could', 'should', 'will', 'continue' and other similar expressions of future performance and results including any of their negatives words.

Although we make such statements based on assumptions that we believe to be reasonable, by their nature, readers are cautioned that these forward-looking statements are not guarantees or predictions of the Group's future performance and undue reliance should not be placed on them when making investment decisions. Any reliance placed on this announcement or past performance is not indicative of future results and is done entirely at the risk of the person placing such reliance.

There can be no assurance that the Group's actual future results, financial condition, performance, operations and businesses will not differ materially from those express or implied in the forward-looking statements due to a variety of factors that are beyond the control of the Group and therefore cannot be precisely predicted. Such factors include, but not limited to, those set out in this announcement and in the 'Our Principal Risks and Uncertainties' section of the Strategic Report in our most recently published Annual Report and Accounts. Other factors could also have an adverse effect on our business performance and results.

At any time subsequent to the publication of this announcement, neither Centrica nor any other person assumes responsibility for the accuracy and completeness or undertakes any obligation, to update or revise any of these forward-looking statements to reflect any new information or any changes in events, conditions or circumstances on which any such forward-looking statement is based save in respect of any requirement under applicable law or regulation.

Further when considering the information contained in, or referred to in this announcement, please note that profit and inventory from Rough operations are reported under Centrica Energy Storage Limited, also referred to as Centrica Energy Storage+, for presentational purposes only. Centrica Energy Storage Limited does not produce, supply or trade gas, except to the extent necessary for the efficient operation of the storage facility. In accordance with the Gas Act 1986, such production, supply and trading of gas is carried out wholly independently of Centrica Energy Storage Limited by other Centrica group companies.

Certain figures shown in this announcement were rounded in accordance with standard business rounding principles and therefore there may be discrepancies.

For further information

Centrica will hold its 2024 Preliminary Results presentation for analysts and institutional investors at 9.30am (UK) on Thursday 20 February 2025. There will be a live webcast of the presentation and slides. Please register to view the webcast at:

https://webcasts.centrica.com/results/2024-preliminary-results

You may also listen via conference call. To register for this call and to receive a unique caller reference number, please visit:

https://webcasts.centrica.com/results/2024-preliminary-results/vip_connect

An archived webcast and full transcript of the presentation and question and answer session will be available on the Centrica website thereafter.

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Financial calendar

Ex-dividend date for 2024 final dividend	Thursday 1 May 2025
Record date for 2024 final dividend	Friday 2 May 2025
Annual General Meeting (AGM)	Thursday 8 May 2025
Payment of 2024 final dividend	Thursday 5 June 2025

For more information on Centrica's financial calendar please visit: https://www.centrica.com/investors/financial-calendar/

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