

BG Energy Capital plc

Annual Report and Financial Statements

For the year ended 31 December 2015

Company Registration Number: 4222391

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Strategic report for the year ended 31 December 2015

The Directors present their Strategic report for BG Energy Capital plc for the year ended 31 December 2015.

Review of the business

BG Energy Capital plc (the "Company") was incorporated on 23 May 2001 and is a wholly owned subsidiary of BG Energy Holdings Limited (by virtue of 99.99% of the issued share capital being held directly and 0.01% of issues shares held indirectly).

The Company raised funds in the capital and commercial paper markets and lent such funds to other members of BG Group, the group of companies headed by BG Group plc. However, as a result of the Combination (as defined below) (see note 10), the Company has ceased to raise further funds for other members of BG Group. The Company's principal assets and liabilities are financial in nature.

For a more detailed review of the activities, development and performance of the BG Group business during 2015 and the position of BG Group at the end of the year, please refer to the BG Group Annual Report and Accounts 2015 - Strategic report section on pages 2 to 16.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are financial in nature and further disclosures are found in note 8.

The Company's processes for financial reporting are consistent with the internal control and risk management system established by BG Group plc in relation to the Group's financial reporting process and the Group's process for preparing consolidated accounts. These systems include policies and procedures to ensure that adequate accounting records are maintained and transactions are recorded accurately and fairly to permit the preparation of financial statements in accordance with FRS 101 'Reduced disclosure framework'.

During 2015 and up to the effective date of the Combination (as defined below) (see note 10), the Company faced risks which affected both the Company and BG Group as a whole. BG Group risks are discussed in the BG Group Annual Report and Accounts 2015 which does not form part of this report. For risks applicable to the Company following the Combination, please refer to Royal Dutch Shell plc's Annual Report and Form 20-F for the year ended 31 December 2015.

Key performance indicators (KPIs)

During 2015 and up to the effective date of the Combination (see note 10), BG Group monitored, reviewed and assessed its operations at segment and geographical levels, therefore the Directors are of the opinion that analysis of the Company using KPIs is not appropriate for an understanding of the development, performance or position of the business of the Company. For further information about KPIs, in the context of BG Group as a whole, please refer to the BG Group Annual Report and Accounts 2015. For details of the KPIs that the Company will be measured against following the Combination, please refer to Royal Dutch Shell plc's Annual Report and Form 20-F for the year ended 31 December 2015.


Financial performance and position

The profit for the year ended 31 December 2015 of £6,596,000 (2014: £5,445,000) has been transferred to reserves.

The balance sheet on page 9 shows that the Company's net assets increased by 31%. This is principally due to the profit for the year.

Strategic report for the year ended 31 December 2015 continued

By order of the Board:



GARY TIBBAGEN

Shell Corporate Secretary Limited
Company Secretary

Date: 22 June 2016

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Registered in England and Wales No. 4222391

Directors' report for the year ended 31 December 2015

The Directors present their report and the audited Financial Statements for BG Energy Capital plc for the year ended 31 December 2015.

Dividend

The Directors did not propose an interim dividend for the year ended 31 December 2015 (2014: £nil). The Directors have not proposed a final dividend (2014: £nil).

Future developments

Future developments are included in the Strategic report.

Post balance sheet events

Shell combination

On 8 April 2015, the Boards of Royal Dutch Shell plc ("Shell") and BG Group plc announced that they had reached agreement on the terms of a recommended cash and share offer to be made by Shell for the entire issued and to be issued share capital of BG Group plc (the "Combination") to be effected by way of a Scheme of Arrangement under Part 26 of the Companies Act 2006 (the "Scheme"). On 27 January 2016, Shell shareholders voted to approve the Combination and on 28 January 2016, BG Group plc shareholders voted to approve the Scheme at a court-convened meeting and to approve a special resolution to implement the Scheme, including amendments to the BG Group plc articles, at a general meeting of BG Group plc. Following a court hearing on 11 February 2016, the Scheme became effective on 15 February 2016.

On 30 March 2016, BG Group plc re-registered as a private limited company, BG Group Limited.

Directors

The following served as Directors during the year and up to the date of this report, unless otherwise shown:

G Hall (resigned 15 February 2016)

M A Jamieson (appointed 2 March 2015 and resigned 15 February 2016)

K S Taylor

S R Unger (resigned 15 February 2016)

S Wheeler (appointed 2 March 2015 and resigned 15 February 2016)

The following Directors were appointed after the year end:

M J Ashworth (appointed 15 February 2016)

I D Chisholm (appointed 15 February 2016 and resigned 13 May 2016)

F Hinden (appointed 15 February 2016)

S J E Ostrowski (appointed 15 February 2016)

Directors' report for the year ended 31 December 2015 continued

Company Secretaries

The following served as joint Company Secretaries during the year and up to the date of this report, unless otherwise shown:

S P Allen (resigned 14 March 2016)

R L Dunn (resigned 14 March 2016)

C L Ennett (appointed 1 October 2015 and resigned 14 March 2016)

The following Secretary was appointed after the year end:

Shell Corporate Secretary Limited (appointed 14 March 2016)

Derivative financial instruments and financial risks

The Company did not transact in any derivative financial instruments during the year.

Full details of the BG Group policies and procedures surrounding financial risks, financial instruments and details of such transactions can be found in the BG Group Annual Report and Accounts 2015.

Auditors

Pursuant to Section 487 of the Companies Act 2006, Ernst and Young LLP (the auditors) are deemed to have been reappointed and remain in office as the auditors of the Company.

Statement as to disclosure of information to auditors

As required by Sections 418 and 419 of the Companies Act 2006, each of the Directors has approved this report and confirmed that, so far as he is aware, there is no relevant audit information (being information needed by the auditors in connection with preparing their audit report) of which the Company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report for the year ended 31 December 2015 continued

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' (FRS 101). The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

The Directors consider that in preparing the Financial Statements on pages 8 to 18 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable accounting standards have been followed and that the Financial Statements have been prepared on the going concern basis. The Company has complied with UK disclosure requirements.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enables them to ensure that the Financial Statements comply with the Companies Act 2006.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors, having prepared the Financial Statements, have requested the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.

By order of the Board:



Shell Corporate Secretary Limited
Company Secretary

Date: 22 June 2016

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Registered in England and Wales No. 4222391

Independent auditor's report to the member of BG Energy Capital plc

We have audited the Financial Statements of BG Energy Capital plc for the year ended 31 December 2015 which comprise the Income statement, the Balance sheet and the Statement of changes in equity and the related notes, set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' responsibilities (set out on page 5), the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101, 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the member of BG Energy Capital plc continued

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements and have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

David Canning-Jones
(Senior Statutory Auditor)
For and on behalf of Ernst and Young LLP, Statutory Auditor
London

Date: 23. 6. 2016

Income statement for the year ended 31 December

	Notes	2015 £000	2014 £000
Finance income	4	368,693	347,825
Finance costs	4	<u>(360,422)</u>	<u>(340,890)</u>
Profit before taxation		8,271	6,935
Taxation	5	<u>(1,675)</u>	<u>(1,490)</u>
Profit for the year		<u>6,596</u>	<u>5,445</u>

The results for the year are derived solely from continuing operations.

There was no other comprehensive income and therefore the total comprehensive income is the same as that presented in the income statement.

The notes on pages 11 to 18 form part of these Financial Statements.

Balance sheet as at 31 December

	Notes	2015 £000	2014 £000
Non-current assets			
Trade and other receivables	6	7,980,281	8,471,107
Current assets			
Trade and other receivables	6	591,380	301,089
Cash and cash equivalents		<u>1</u>	<u>5</u>
		<u>591,381</u>	<u>301,094</u>
Total assets		<u>8,571,662</u>	<u>8,772,201</u>
Current liabilities			
Trade and other payables	7	(563,153)	(278,848)
Non-current liabilities			
Trade and other payables	7	<u>(7,980,744)</u>	<u>(8,472,184)</u>
Total liabilities		<u>(8,543,897)</u>	<u>(8,751,032)</u>
Net assets		<u>27,765</u>	<u>21,169</u>
Equity			
Called up share capital	9	50	50
Retained earnings		<u>27,715</u>	<u>21,119</u>
Total equity		<u>27,765</u>	<u>21,169</u>

The Financial Statements on pages 8 to 18 were approved by the Board of Directors and were signed on its behalf by:



M J Ashworth

Director

Date: 22 June 2016

Statement of changes in equity

	Called up share capital £000	Retained earnings £000	Total £000
At 1 January 2014	50	15,674	15,724
Profit for the year	-	5,445	5,445
Total comprehensive income for the year	-	5,445	5,445
At 31 December 2014	50	21,119	21,169
Profit for the year	-	6,596	6,596
Total comprehensive income for the year	-	6,596	6,596
At 31 December 2015	50	27,715	27,765

Notes to the Financial Statements

1 Ultimate parent undertaking

The immediate parent undertaking is BG Energy Holdings Limited. During the year, and up to the effective date of the Shell combination (see note 10), the ultimate parent undertaking and controlling party was BG Group plc.

BG Group plc is the parent undertaking of the largest group to consolidate these Financial Statements. The smallest group into which the Company is consolidated is that of which BG Energy Holdings Limited is the parent undertaking. With effect from 30 March 2016, BG Group plc re-registered as a private limited company. BG Group Limited and BG Energy Holdings Limited are both registered in England and Wales. Copies of the Group consolidated accounts may be obtained from the Company Secretary, 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

Following the Shell combination, the ultimate parent undertaking and controlling party is Royal Dutch Shell plc.

2 Accounting policies

Basis of preparation and accounting principles

These accounts have been prepared on the going concern basis and in accordance with applicable law in the United Kingdom and Financial Reporting Standard 101, 'Reduced disclosure framework', adopted in 2015, including the July 2015 amendments to FRS 101 and adoption of the IAS 1 primary statement formats, and applicable accounting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Summary of disclosure exemptions

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- (a) IFRS 7, 'Financial instruments: disclosures'.
- (b) Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'.
- (c) Paragraph 38 of IAS 1, 'Presentation of financial statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements'.
- (d) Paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1, 'Presentation of financial statements'.
- (e) IAS 7, 'Statement of cash flows'.
- (f) Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'.
- (g) Paragraphs 17 and 18A of IAS 24, 'Related party disclosures'.
- (h) The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- (i) Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets'.

Financial instruments

Loans not in a fair value hedging relationship, receivable and payable balances are initially recognised at fair value and subsequently carried at amortised cost less impairments.

Notes to the Financial Statements continued

2 Accounting policies continued

Interest income

Interest income for financial instruments measured at amortised cost is recognised in finance income in the income statement and is calculated using the effective interest rate method.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax, determined using currently enacted or substantively enacted tax laws. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Foreign currencies

The functional currency of the Company is Pounds Sterling and the Financial Statements are presented in that currency. Transactions in foreign currencies are translated into Pounds Sterling at the rates of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into Pounds Sterling at the rates of exchange ruling at the balance sheet date. Differences arising from changes in exchange rates are taken to the income statement in the year in which they arise.

Judgements and estimates

The preparation of financial statements in conformity with FRS 101 requires the Company to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from these estimates.

The Company believes that there are no specific judgements or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Operating result

The auditor's remuneration of £8,831 (2014: £8,644) has been borne by BG Energy Holdings Limited and has not been recharged to the Company. Any fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated accounts of the Company's ultimate parent, BG Group plc, are required to disclose non-audit fees on a consolidated basis.

No Directors received remuneration in respect of their services to the Company during the year ended 31 December 2015 (2014: £nil).

The Company had no employees during the year (2014: nil).

Notes to the Financial Statements continued

4 Finance income and costs

	2015 £000	2014 £000
Finance income		
Interest receivable	368,661	347,825
Foreign exchange gain	<u>32</u>	<u>-</u>
	<u>368,693</u>	<u>347,825</u>
Finance costs		
Interest payable	(360,415)	(340,784)
Foreign exchange loss	-	(99)
Other finance costs	<u>(7)</u>	<u>(7)</u>
	<u>(360,422)</u>	<u>(340,890)</u>
Net finance income	<u>8,271</u>	<u>6,935</u>

5 Taxation

The charge for taxation comprises:

	2015 £000	2014 £000
Current tax		
Corporation tax	<u>1,675</u>	<u>1,490</u>
Total tax charge	<u>1,675</u>	<u>1,490</u>

The total tax charge reconciles with that calculated using the statutory UK corporate tax rate of 20.25% (2014: 21.50%):

	2015 £000	2014 £000
Profit before tax	<u>8,271</u>	<u>6,935</u>
Tax on profit before taxation at UK statutory corporation tax rate	<u>1,675</u>	<u>1,490</u>
Total tax charge	<u>1,675</u>	<u>1,490</u>

Effective 1 April 2015, the applicable rate of UK corporation tax was reduced to 20%, with further reductions in the UK corporation tax rate to 19% effective from 1 April 2017 and 18% effective from 1 April 2020.

Notes to the Financial Statements continued

6 Trade and other receivables

	2015 £000	2014 £000
Non-current		
Amounts owed by group undertakings	<u>7,980,281</u>	<u>8,471,107</u>
Current		
Amounts owed by group undertakings	538,660	248,082
Prepayments and accrued income	<u>52,720</u>	<u>53,007</u>
	<u>591,380</u>	<u>301,089</u>

Non-current amounts owed by group undertakings are unsecured, bear interest at a weighted average of 3.97% (2014: 4.48%) and are repayable between 2017 and 2072.

Current amounts owed by group undertakings include a loan of £508,448,000 which is repayable in October 2016 (2014: £224,081,000 repayable in December 2015). All other current amounts owed by group undertakings are unsecured, bear interest at weighted average of 0.17% (2014: 0.06%) and are repayable on demand.

7 Trade and other payables

	2015 £000	2014 £000
Non-current		
Borrowings: bonds	<u>7,980,744</u>	<u>8,472,184</u>
Current		
Borrowings: bonds	508,448	224,081
Amounts owed to group undertakings in respect of taxation	3,166	2,427
Accrued expenses	<u>51,539</u>	<u>52,340</u>
	<u>563,153</u>	<u>278,848</u>

The bonds are unconditionally and irrevocably guaranteed by the Company's immediate parent undertaking BG Energy Holdings Limited.

Current amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

Notes to the Financial Statements continued

7 Trade and other payables continued

Breakdown of external borrowings:

	2015 £000	2014 £000
<i>Amounts falling due within one year</i>		
2.5% US Dollar 350m bond due December 2015	-	224,081
2.875% US Dollar 750m bond due October 2016	508,448	-
	<u>508,448</u>	<u>224,081</u>
<i>Amounts falling due after more than one year</i>		
2.875% US Dollar 750m bond due October 2016	-	480,233
5.125% Pound Sterling 500m bond due December 2017	499,746	499,619
Floating rate US Dollar 300m bond due September 2018	203,320	192,114
3.0% Euro 1,000m bond due November 2018	736,350	775,082
3.625% Euro 500m bond due July 2019	367,608	386,801
3.625% Euro 250m bond due July 2019	186,867	197,548
3.94% Hong Kong Dollar 370m bond due October 2019	32,391	30,599
4.0% US Dollar 650m bond due December 2020	437,603	413,006
4.0% US Dollar 1,350m bond due October 2021	909,995	859,801
1.25% Euro 775m bond due November 2022	569,638	599,563
5.125% Pound Sterling 750m bond due December 2025	742,868	742,137
2.25% Euro 800m bond due November 2029	587,483	618,429
3.5% Euro 100m bond due October 2033	72,004	75,716
5.0% Pound Sterling 750m bond due November 2036	734,322	733,567
5.125% US Dollar 900m bond due October 2041	598,063	564,870
6.5% Pound Sterling 600m bond due November 2072 *	597,947	597,801
6.5% Euro 500m bond due November 2072 *	367,251	386,602
6.5% US Dollar 500m bond due November 2072 *	337,288	318,696
	<u>7,980,744</u>	<u>8,472,184</u>
Total borrowings	<u>8,489,192</u>	<u>8,696,265</u>

* The bonds are long-dated, subordinated securities which although accounted for as debt, incorporate some features typical of equity, such as potential coupon deferral. The Company may, at its sole discretion, redeem all but not part, of the securities at their principal amount on 30 November 2017, 30 November 2022 or any subsequent coupon date thereafter to maturity.

Notes to the Financial Statements continued

8 Financial instruments

Treasury policy and risk management

The Company raises funds in the commercial paper and capital markets and lends such funds to other members of BG Group. These funds are raised as opportunities arise and funding needs dictate. The Company's principal assets and liabilities are financial in nature.

The principal Treasury risks the Company faces are:

- i. A mismatch between the currencies and maturity profiles of its borrowings and its inter-company loans;
- ii. A mismatch in interest rates between its borrowings and its inter-company loans; and
- iii. counterparty risk.

Failure to manage Treasury risks could have a material impact on the Company's cash flow and financial position.

The Company mitigates foreign exchange risk by generally seeking to match the currencies of its non-Pounds Sterling intercompany loans with those of its non-Pounds Sterling borrowings.

The Company mitigates liquidity risks, including risks associated with refinancing borrowings as they mature, the risk that borrowing facilities are not available to meet cash requirements and the risk that financial assets cannot readily be converted to cash without loss of value by limiting the amount of borrowing that matures within any specific period and by seeking terms and conditions on its intercompany loans which in the absence of counterparty default should allow it to service its borrowing obligations.

The Company mitigates interest rate risk in line with BG Group risk management policy by seeking terms and conditions on its inter-company loans which (in the absence of counterparty default) should allow it to service its borrowing obligations in all reasonably foreseeable interest rate scenarios.

The Company is exposed to credit risks, being the loss that would be recognised if counterparties failed to or are unable to meet their payment obligations. These risks may arise in the investment of surplus cash balances and the lending of funds. The Company mitigates these risks by lending only to members of the BG Group, considering the financial and credit condition of banks with whom it maintains bank accounts, analysing each counterparty's financial condition prior to entering into transactions and monitoring for individual transaction and concentration risk.

Notes to the Financial Statements continued

8 Financial instruments continued

Maturity of financial assets and gross borrowings

The maturity of the carrying amount of the Company's gross borrowings and financial assets, at 31 December 2015 was as follows:

	2015 £000	2014 £000
Financial assets		
Less than one year	538,661	248,087
Between two and five years	2,463,712	2,561,786
After five years	<u>5,516,569</u>	<u>5,909,321</u>
	<u>8,518,942</u>	<u>8,719,194</u>
Borrowings		
Less than one year	(511,614)	(226,508)
Between two and five years	(2,463,713)	(2,562,211)
After five years	<u>(5,517,031)</u>	<u>(5,909,973)</u>
	<u>(8,492,358)</u>	<u>(8,698,692)</u>

All borrowings are at a fixed rate except for a \$300 million floating rate instrument (3 month US Dollar LIBOR + 75 basis points) (2014: 3 month US Dollar LIBOR + 75 basis points). All financial assets are at a fixed rate except for an intra-group loan to the parent company, BG Energy Holdings Ltd for \$300 million (3 month US Dollar LIBOR + 75 basis points) (2014: 3 month US Dollar LIBOR + 75 basis points).

9 Called up share capital

Allotted and fully paid:

	No. 000	2015 £ 000	No. 000	2014 £ 000
Ordinary shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

Notes to the Financial Statements continued

10 Post balance sheet events

Shell combination

On 8 April 2015, the Boards of Shell and BG Group plc announced that they had reached agreement on the terms of a recommended cash and share offer to be made by Shell for the entire issued and to be issued share capital of BG Group plc to be effected by way of a Scheme of Arrangement under Part 26 of the Companies Act 2006. On 27 January 2016, Shell shareholders voted to approve the Combination and on 28 January 2016, BG Group plc shareholders voted to approve the Scheme at a court-convened meeting and to approve a special resolution to implement the Scheme, including amendments to the BG Group plc articles, at a general meeting of BG Group plc. Following a court hearing on 11 February 2016, the Scheme became effective on 15 February 2016.

On 30 March 2016, BG Group plc re-registered as a private limited company, BG Group Limited.

11 Transition to FRS 101

For all periods up to and including the year-ended 31 December 2014, the Company prepared its Financial Statements in accordance with previously extant UK Generally Accepted Accounting Practice (UK GAAP). These Financial Statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101, 'Reduced disclosure framework'.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 101, and made those changes in accounting policies required for the first-time adoption of FRS 101.

As the Company, being a public limited company, had previously applied FRS 26, 'Financial instruments: recognition and measurement', no restatements of the opening balance sheet as at 1 January 2014, the comparative balance sheet as at 31 December 2014, the income statement for the year-ended 31 December 2014 or other comprehensive income for the year ended 31 December 2014 were required on adoption of FRS 101.