BG Energy Capital plc

Annual Report

and

Financial Statements

For the year ended 31 December 2020
BG Energy Capital plc

Contents

Strategic report 1 to 4
Directors' report 5 to 6
Independent Auditor's report 7 to 14
Profit and loss account 15
Balance sheet 16
Statement of changes in equity 17
Notes to the financial statements 18 to 31
BG Energy Capital plc

Strategic report for the year ended 31 December 2020

The Directors present their Strategic report on BG Energy Capital plc (also referred to as the “Company”) for the year ended 31 December 2020.

The Company is one of the entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies where Royal Dutch Shell plc, either directly or indirectly, is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. Companies in which Group companies have significant influence but not control are classified as "Associated companies". Royal Dutch Shell plc, a company incorporated in England and Wales, is known as the "Parent Company" of the Shell Group. In this Report "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

Business review

The Company 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 issued shares held indirectly).

The Company has raised funds in the capital markets and lent such funds to group undertakings. The Company's principal assets and liabilities are financial in nature.

The Company’s result for the financial year decreased from a profit of $752,000 in 2019 to loss of $734,000 in 2020. This was principally due to expected credit loss provision accounted for in the current year.

The Directors consider that the year end financial position of the Company was satisfactory.

As a result of COVID-19 pandemic, there continues to be significant uncertainty in the macroeconomic conditions with an expected volatility in the financial markets where company could be impacted by changes to interest rates, exchange rates and inflation rates. The Company will continue to support the Shell Group Treasury operation in managing the overall cash position of the Shell Group in meeting short-term and long-term funding requirements. The scale and duration of these developments for the Company remain uncertain but could impact earnings, carrying value of assets, cash flow and financial condition.

Brexit impact

On 23 June 2016, the UK held a referendum on the UK’s continuing membership of the EU, the outcome of which was a decision for the UK to leave the EU (Brexit). On 26 December 2020, the EU-UK Trade and Cooperation agreement was agreed and provisionally applied. An impact assessment at country level was performed based on a no deal Brexit, which included the activities of the Company. The Board currently sees a limited impact from the EU-UK Trade and Cooperation agreement on its existing business based on the assessment undertaken.
IBOR reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR, USD LIBOR and other inter-bank offered rates (‘IBORs’) has become a priority for global regulators. IBOR Reform - Phase 2 Amendments to IFRS 9 Financial Instruments (IFRS 9), IFRS 7 Financial Instruments: Disclosures (IFRS 7) and IFRS 16 Leases (IFRS 16) were issued in August 2020 that complement those amendments issued in 2019 (IBOR Reform - Phase 1) and focus on the effects of IBOR reform on a company’s financial statements that arise when, for example, an IBOR used to calculate interest on a financial asset is replaced with an alternative benchmark rate. The amendments are effective for periods beginning on or after January 1, 2021 and are to be applied retrospectively with early application permitted. The amendment will not have any impact for the entity since the interest rates are fixed and not variable in nature.

Principal risks and uncertainties

The Shell Group has a single risk-based control framework - The Shell Control Framework - to identify and manage risks. The Shell Control Framework applies to all wholly owned Shell companies and to those ventures and other companies in which Royal Dutch Shell has directly or indirectly a controlling interest. From the perspective of the Company, the principal risks and uncertainties affecting the Company are considered to be those that affect the Shell Group. Accordingly, the principal risks and uncertainties of the Shell Group, which are discussed on pages 28 to 37 of Royal Dutch Shell’s Annual Report for the year ended 31 December 2020 (the “Group Report”), include those of the Company. The Group Report does not form part of this report.

Key Performance Indicators

Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Integrated Gas and New Energies, and the Downstream businesses of Oil Products and Chemicals. The Company’s key performance indicators, that give an understanding of the development, performance and position of the business, are aligned with those of the Shell Group. The development, performance and position of the various businesses is discussed on pages 46 to 80 of the Group Report and the key performance indicators through which the Group’s performance is measured are as set out on pages 43 to 45 of the Group Report.

Going concern

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Company can continue in operational existence over the period to 30 June 2022 (the ‘going concern period’). The Directors have considered the potential risks and uncertainties relating to COVID-19 and Brexit impact on the Company’s business, credit, market, and liquidity position. Based on the above, together with the Directors knowledge and experience of the market, the Directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2020.
BG Energy Capital plc

Strategic report for the year ended 31 December 2020 (continued)

Section 172(1) statement/Statement of stakeholder interests

The Companies (Miscellaneous Reporting) Regulations 2018 (‘2018 MRR’) require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (a) to (f) of the Companies Act 2006 (‘S172’) when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which may affect the long-term success of the company.

This Section 172 Statement, explains how the Directors have acted in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

• the likely consequences of any decision in the long term and the impact of the Company’s operations on the community and the environment,

• the desirability of the Company maintaining a reputation for high standards of business conduct; and

• employee interests, the need to foster the Company’s business relationships with suppliers, customers, and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year.

Ahead of matters being put to the Company Board for consideration, significant levels of engagement are often undertaken by the broader business ahead of many of Shell projects or activities. This engagement is often governed by formulated policies, control frameworks, regulation, legislation and may differ by region. Dependent on the project or activity, Board members may participate in this engagement.

The Company is a member of the Shell Group, an organisation which follows a highly developed and formalised governance and oversight framework, which includes but is not limited to Group policies such as the Shell General Business Principles (which sets out the Shell Group’s responsibilities to shareholders, customers, employees, business partners and society) and the Shell Code of Conduct.

The strategy of the Company is considered to be derived from those of the Shell Group, which is discussed on pages 18 - 21 of the Royal Dutch Shell plc 2020 Annual Report. The Shell Group internally organises its activities principally along business and function lines but transacts its business through legal entities. This organisation structure is designed to achieve Shell’s overall business objectives, whilst respecting the separate legal identity of the individual Shell companies through which it is implemented and the independence of each legal entity’s Board of Directors.
Human Rights

Respect for human rights is embedded in the Shell Group’s Business Principles and Code of Conduct. This approach is informed by the Universal Declaration of Human Rights, the core conventions of the International Labour Organization and the United Nations’ Guiding Principles on Business and Human Rights.

The Shell Group works closely with other companies and non-governmental organisations to continuously improve the way it applies these principles, with a focus on four key areas: communities, security, labour rights, and supply chain. The Shell Group has systems and processes in place for managing projects, contracting and procurement, recruitment and employment, security and social performance and requires all Group companies and contractors to respect the human rights of their workforce and neighbouring communities.

The Shell Group’s Modern Slavery Statement provides more details about the process applied. It can be found at www.shell.com/uk-modern-slavery-act.html.

Approved by the Board on 17/6/2023. and signed on its behalf by:

[Signature]
M.H. Pearman
Director
BG Energy Capital plc

Directors' report for the year ended 31 December 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

The Directors’ report and audited financial statements of the Company have been prepared in accordance with the Companies Act 2006.

Dividend

No dividends were paid during the year (2019: $nil).

Future Outlook

No significant change in the business of the Company has taken place during the year or is expected in the immediately foreseeable future.

Directors of the Company

The directors, who held office during the year, and to the date of this report were as follows:
M.J. Ashworth
S.B. Critchlow (appointed 31 January 2020)
F. Hinden
M.H. Pearman
K.S. Taylor

Financial risk management

The Company’s Directors are required to follow the requirements of Shell Group risk management policies, which include specific guidelines on the management of market, credit and liquidity risk, and advice on the use of financial instruments to manage them. Shell Group risk management policies can be found in the Group Report (see pages 186 to 188 and note 19).

Streamlined Energy and Carbon Reporting

The directors are aware of the requirements for large UK companies to report on their UK energy use and carbon emissions. The Company’s energy usage and greenhouse gas emissions form part of the overall Shell Group results. The climate change and energy transition strategy and disclosures are discussed on pages 94 to 107 of the Group Report with greenhouse gas emissions and energy usage being set out on pages 106 to 107.
BG Energy Capital plc

Directors' report for the year ended 31 December 2020 (continued)

Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Strategic report, Directors' report and the Company's financial statements in accordance with applicable laws 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on ....7/6/2021....... and signed on its behalf by:

M.H. Pearman
Director
Independent Auditor’s report to the Members of BG Energy Capital plc

Opinion

We have audited the financial statements of BG Energy Capital plc (the "Company") for the year ended 31 December 2020, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity, and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

• give a true and fair view of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the company’s ability to continue to adopt the going concern basis of accounting included:

• We confirmed our understanding of management’s going concern assessment process. We also engaged with management early to ensure all key risks and factors were considered in their assessment.
• We obtained management’s going concern assessment which covers the period up to 30 June 2022, including their cash forecast and covenant assessment. We considered the accuracy of management's assessment, including the future cash outflows and the ability of the company to repay its bonds. We agreed the debt facilities and arrangements available to the company to underlying agreements and obtained external confirmations from debt providers for outstanding bond payables.
Independent Auditor’s report to the Members of BG Energy Capital plc (continued)

- The bonds payable and the intergroup receivables of the company have the same terms, including the
  same values, maturity and interest rates. Thus, the company relies on the repayment of its intergroup
  receivables to repay its bond payables. We challenged the ability of the companies with which BG
  Energy Capital plc has loan receivables to repay their debts, including the funding arrangements that
  they have with the wider Shell Group, as explained in the Key audit matters below.

- We read the company’s going concern disclosures included in the financial statements in order to
  assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to
events or conditions that, individually or collectively, may cast significant doubt on the company’s ability
to continue as a going concern for the period up to 30 June 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in
the relevant sections of this report. However, because not all future events or conditions can be predicted,
this statement is not a guarantee as to the company’s ability to continue as a going concern.

Overview of our audit approach

Key audit matters • Misstatement and recoverability of receivable balances with other companies
in the Shell Group.

Materiality • Overall materiality of $63.9m which represents 1% of total assets.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our
audit of the financial statements of the current period and include the most significant assessed risks of
material misstatement (whether or not due to fraud) that we identified. These matters included those
which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and
directing the efforts of the engagement team. These matters were addressed in the context of our audit of
the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion
on these matters.
Independent Auditor’s report to the Members of BG Energy Capital plc (continued)

Risk: Misstatement and recoverability of receivable balances with other companies in the Shell Group

The company has receivable balances with other companies in the Shell Group (intergroup balances). Refer to Note 8 of the financial statements.

The proceeds from the company’s bonds are loaned to other Shell Group companies via arrangements which have the same repayment profile as the bonds.

There is a risk that intergroup balances are not consistent with those recognised by the Shell Group counterparties, or with the bonds payable at 31 December 2020 that are reflected as liabilities in the balance sheet. There is also a risk that intergroup receivables are not recoverable.

The primary driver of recoverability of these intergroup balances is the ability of the wider Shell Group to generate sufficient cash flows to repay the amounts due to the company.

Please refer to Note 1 of the financial statement, that discusses the impact of COVID-19 on the company and the ability of the Shell Group to continue to generate cashflows to support the recoverability of amounts due to the company and its ability to continue as a going concern.

Our response to the risk

We have agreed intergroup balances, ensuring that balances are consistent with counterparties within the Group.

In addition, we have agreed that the value of the bonds due at 31 December 2020 matches the amounts recorded for the loans receivable from other Group companies as at 31 December 2020, both for those due within one year and after more than one year. Additionally, we have confirmed the appropriateness of classification in the debtors note (note 8) of the intergroup receivables as due within one year and due after more than one year by inspecting the intercompany loan agreements.

Additionally, we have agreed the key inputs and recalculated the expected credit loss for intergroup debtors. We confirmed that the material intergroup debtors were recoverable by obtaining the financial statements of the debtors and the treasury agreements entered into between these debtors and the treasury companies within the Shell Group. We also confirmed that there were sufficient funds within the Shell group to settle the intergroup debtors owed to the company.

Key observations communicated to those charged with governance

We have concluded that intergroup balances are appropriately reconciled with no material differences and that their value is consistent with the value of the bonds payable at year-end. We have concluded their classification is appropriate. We have also concluded that the provision for expected credit losses at year-end was appropriate.

We have also concluded that the intergroup debtor balances are recoverable.
Independent Auditor’s report to the Members of BG Energy Capital plc (continued)

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be $63.9 million (2019: $33.8 million), which is 1% (2019: 0.5%) of total assets. We revised the materiality to 1% of total assets in the current year following our reassessment of the audit risk. We believe that total assets is the appropriate basis because the purpose of the company is to raise debt financing and pass it to other Group companies.

During the course of our audit, we reassessed initial materiality and no reason to change materiality from the original assessment at planning was identified.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company’s overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely $47.9m (2019: $25.3m). We have set performance materiality at this percentage due to the low risk of misstatements based on our past audit experience in prior years.
Independent Auditor’s report to the Members of BG Energy Capital plc (continued)

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We report to those charged with governance all uncorrected audit differences in excess of $3.2m (2019: $1.7m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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
• the strategic report and directors' report have been prepared in accordance with applicable legal requirements.
Independent Auditor’s report to the Members of BG Energy Capital plc (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 “Reduced Disclosure Framework”, Companies Act 2006, Bribery Act 2010, Companies (Miscellaneous Reporting) Regulation 2018, and relevant tax compliance regulations in the jurisdictions in which the Company operates, including the United Kingdom.

- We understood how the Company is complying with those frameworks and Shell group policies by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through the review of the following documentation:
  - all minutes of board meetings held during the year;
  - the Shell group’s code of conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations;
  - any relevant correspondence with local tax authorities;
  - any relevant correspondence received from regulatory bodies.

- We assessed the susceptibility of the Company’s financial statements to material misstatement, including how fraud might occur by considering the controls that the Company established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the Company applies being part of the Shell group.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business, enquiries of legal counsel and management, review of internal audit reports and of the volume and nature of complaints received by the whistleblowing hotline during the year relevant to the Company.
Independent Auditor’s report to the Members of BG Energy Capital plc (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Other matters we are required to address

• We were appointed by the Company on 28 March 2013 to audit the financial statements of the Company for the year ending 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 8 years, covering the years ending 31 December 2013 to 31 December 2020.

• The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

• The audit opinion is consistent with the report to those charged with governance.

Use of our report

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.

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Mark Woodward (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 23 June 2021
BG Energy Capital plc

Profit and loss account for the year ended 31 December 2020

Continuing operations

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>000</td>
<td>000</td>
</tr>
<tr>
<td></td>
<td>Other (expense)/income</td>
<td>(472)</td>
<td>320</td>
</tr>
<tr>
<td></td>
<td><strong>OPERATING (LOSS)/PROFIT</strong></td>
<td>(472)</td>
<td>320</td>
</tr>
<tr>
<td>3</td>
<td>Interest receivable and similar income</td>
<td>264,133</td>
<td>282,049</td>
</tr>
<tr>
<td>4</td>
<td>Interest payable and similar charges</td>
<td>(264,210)</td>
<td>(281,636)</td>
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<tr>
<td></td>
<td><strong>(LOSS)/PROFIT BEFORE TAXATION</strong></td>
<td>(549)</td>
<td>733</td>
</tr>
<tr>
<td>7</td>
<td>Tax on (loss)/profit</td>
<td>(185)</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td><strong>(LOSS)/PROFIT FOR THE YEAR</strong></td>
<td>(734)</td>
<td>752</td>
</tr>
</tbody>
</table>

The loss for the current year and the profit for the prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.
BG Energy Capital plc

(Registration number: 04222391)
Balance sheet as at 31 December 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 000</td>
<td>$ 000</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors: amounts due after more than one year</td>
<td>8</td>
<td>4,967,273</td>
</tr>
<tr>
<td>Debtors: amounts due within one year</td>
<td>8</td>
<td>1,415,614</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>9</td>
<td>(1,387,250)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>28,364</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td>4,995,637</td>
</tr>
<tr>
<td>Creditors: amounts falling due after more than one year</td>
<td>10</td>
<td>(4,969,309)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>26,328</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>13</td>
<td>61</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td></td>
<td>26,267</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>26,328</td>
</tr>
</tbody>
</table>

The financial statements on pages 15 to 31 were authorised for issue by the Board of Directors on 17/6/2021 and signed on its behalf by:

Michael Pearman
M.H. Pearman
Director
BG Energy Capital plc

Statement of changes in equity for the year ended 31 December 2020

<table>
<thead>
<tr>
<th></th>
<th>Called up share capital $ 000</th>
<th>Profit and loss account $ 000</th>
<th>Total $ 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1 January 2019</td>
<td>61</td>
<td>26,249</td>
<td>26,310</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>752</td>
<td>752</td>
</tr>
<tr>
<td>Balance as at 31 December 2019</td>
<td>61</td>
<td>27,001</td>
<td>27,062</td>
</tr>
<tr>
<td>Balance as at 1 January 2020</td>
<td>61</td>
<td>27,001</td>
<td>27,062</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>-</td>
<td>(734)</td>
<td>(734)</td>
</tr>
<tr>
<td>Balance as at 31 December 2020</td>
<td>61</td>
<td>26,267</td>
<td>26,328</td>
</tr>
</tbody>
</table>
General information

The Company is a public company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is: Shell Centre, London, SE1 7NA, United Kingdom.

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, which involves the application of International Financial Reporting Standards (“IFRS”) with a reduced level of disclosure. The financial statements have been prepared under the historical cost convention, except for certain items measured at fair value, and in accordance with the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Going Concern

As at the date of approving the financial statements, the impact of COVID-19 on the Company’s operations is continually being assessed and is subject to rapid change. The Directors have considered the potential risks and uncertainties relating to COVID-19 and Brexit impact on the Company’s business, credit, market, and liquidity position. The Directors have assessed that the Company is expected to have adequate headroom to meet its liabilities and commitments over the going concern period to 30 June 2022. The Directors have assessed that the Company has adequate resources to continue in operation for the period to 30 June 2022.

The Group sweeps cash from subsidiary companies to a central treasury company account on a daily basis. The Company shows the balance swept at the end of the year as an amount owed by a fellow subsidiary undertaking. The Directors consider that the Company will have access to the funds swept to these accounts when required by the Company.
1 Accounting policies (continued)

As the majority of the Company’s receivables is intragroup, it is dependent on group companies for the repayment of its bonds. RDS Plc has taken a number of steps to enhance its resilience across the group with an ongoing review of the evolving business environment and assessing strategic decisions to deliver sustainable cash flow generation. The Group is actively managing operational and financial levers including reducing capital expenditure and operating expenses, and temporarily pausing its share buyback program. The Group has access to extensive Commercial Paper Programmes and has also negotiated additional undrawn credit facilities. Whilst there remains uncertainty on the impact of volatile commodity prices and COVID-19, and the length of time for which these conditions will continue, the directors have reviewed the Company’s current performance, and the financial strength of the Group and are satisfied that the Group entities with which the Company has loan receivables, and the Company itself, has adequate resources to meet its liabilities and commitments over the going concern period to 30 June 2022.

New standards applied

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” These had no material impact on the financial statements of the Company, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. These amendments had no material impact on the financial statements of the Company.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

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

- IFRS 7, ‘Financial Instruments: Disclosures’;
- Paragraphs 91 to 99 of IFRS 13, ‘Fair value measurement’ (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, ‘Presentation of financial statements’ comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 ‘Presentation of financial statements’;
- The following paragraphs of IAS 1, ‘Presentation of financial statements’:
BG Energy Capital plc

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

(i) 10(d), (statement of cash flows);
(ii) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
(iii) 16 (statement of compliance with all IFRS);
(iv) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
(v) 38B-D (additional comparative information);
(vi) 40A-D (requirements for a third balance sheet);
(vii) 111 (cash flow statement information); and
(viii) 134-136 (capital management disclosures)

- IAS 7, ‘Statement of cash flows’;
- Paragraphs 30 and 31 of IAS 8 ‘Accounting policies, changes in accounting estimates and errors’ (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraphs 17 and 18A of IAS 24, ‘Related party disclosures’ (key management compensation);
- The requirements in IAS 24, ‘Related party disclosures’ to disclose related party transactions entered into between two or more wholly owned members of a group.

Consolidation

The immediate parent company is BG Energy Holdings Limited.

The ultimate parent company and controlling party is Royal Dutch Shell plc, which is incorporated in England and Wales. Royal Dutch Shell plc is the parent undertaking of the smallest and largest group to consolidate these accounts.

The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc
Tel: +31 888 800 844
email: order@shell.com
Registered office: Shell Centre, London, SE1 7NA, United Kingdom.

Taxation

Tax is recognised in profit or loss, except that tax attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income or directly in equity.
1 Accounting policies (continued)

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date for tax payable to HM Revenue and Customs, or for group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation by Shell and tax authorities differently and establishes provisions where appropriate.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in USD ($), which is also the Company’s functional currency.

(ii) Transaction and balances

Income and expense items denominated in foreign currencies are translated into $ at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been translated in $ at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of the transaction. No subsequent translations are made once this has occurred.
1 Accounting policies (continued)

Financial instruments

Financial assets

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets.

A financial asset is measured at amortised cost if the objective of the business model is to hold the financial asset in order to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently the financial asset is measured using the effective interest method less any impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. All equity instruments and other debt instruments are recognised at fair value.

Impairment of financial assets

The impairment requirements for expected credit losses are applied to financial assets measured at amortised cost, financial assets measured at FVOCI and financial guarantees contracts to which IFRS 9 is applied and that are not accounted for at FVTPL. If the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses. In other instances, the loss allowance for the financial asset is measured at an amount equal to the twelve month expected credit losses (ECLs). Changes in loss allowances are recognised in profit and loss. For trade debtors that do not contain a significant financing component, the simplified approach is applied recognising expected lifetime credit losses from initial recognition.

Financial liabilities

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL, such as instruments held for trading, or the Company has opted to measure them at FVTPL. Debt and trade creditors are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. Interest expense on debt is accounted for using the effective interest method and is recognised in income.

Interest income

Interest income for financial instruments measured at amortised cost is recognised in interest receivable and similar income in the profit and loss account and is calculated using the effective interest rate method.
BG Energy Capital plc

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

Netting off policy

Balances with other companies of the Shell Group are stated gross, unless both of the following conditions are met:

- Currently there is a legally enforceable right to set off the recognised amounts; and
- There is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Provision for expected credit losses of debtors

For intra-group debtors, the Company uses an internal credit rating to determine the probability of default. Internal credit ratings are based on methodologies adopted by independent credit rating agencies.

3 Interest receivable and similar income

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 000</td>
<td>$ 000</td>
</tr>
<tr>
<td>Interest from Group undertakings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parent undertakings</td>
<td>263,390</td>
<td>281,526</td>
</tr>
<tr>
<td>Fellow subsidiary undertakings</td>
<td>70</td>
<td>523</td>
</tr>
<tr>
<td>Profit on currency translation</td>
<td>673</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>264,133</td>
<td>282,049</td>
</tr>
</tbody>
</table>

Page 23
4 Interest payable and similar charges

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other interest payable</td>
<td>264,210</td>
<td>281,439</td>
</tr>
<tr>
<td>Loss on currency translation</td>
<td>-</td>
<td>197</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>264,210</strong></td>
<td><strong>281,636</strong></td>
</tr>
</tbody>
</table>

5 Operating (loss)/profit

Arrived at after crediting:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Charge)/Reversal of provision for expected credit losses</td>
<td>(459)</td>
<td>325</td>
</tr>
</tbody>
</table>

The Company had no employees during 2020 (2019: none).

6 Auditor's remuneration

The Auditor’s remuneration of $22,720 (2019: $20,321) in respect of the statutory audit was borne by another Group undertaking for both the current and preceding years.

Fees paid to the Company’s auditor and its associates for non-audit services to the Company itself are not disclosed in the individual financial statements of the Company because the Royal Dutch Shell plc consolidated financial statements are required to disclose such fees on a consolidated basis.

7 Tax on (profit)/loss

Tax charge/(credit) in the profit and loss account

The tax charge for the year of $185,000 (2019: credit of $19,000) is made up as follows:
7 Tax on (profit)/loss (continued)

<table>
<thead>
<tr>
<th></th>
<th>2020 $000</th>
<th>2019 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK corporation tax</td>
<td>185</td>
<td>(21)</td>
</tr>
<tr>
<td>UK corporation tax adjustment to prior periods</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Tax charge/(credit) in the profit and loss account</strong></td>
<td><strong>185</strong></td>
<td><strong>(19)</strong></td>
</tr>
</tbody>
</table>

Reconciliation of total tax charge/(credit)

The tax on loss before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%).

The differences are reconciled below:

<table>
<thead>
<tr>
<th></th>
<th>2020 $000</th>
<th>2019 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss/(profit) before tax</td>
<td>549</td>
<td>(733)</td>
</tr>
</tbody>
</table>
| Tax on loss/(profit) calculated at standard rate (2020:19%)
  (2019:19%) | (104)     | 139       |
| **Effects of:**      |           |           |
| Income exempt from taxation | -         | (62)      |
| Expenses not deductible | 87       | -         |
| Adjustments in respect of prior periods | - | 2 |
| Currency translation adjustments | 202       | (98)      |
| **Total tax charge/(credit)** | **185** | **(19)** |

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK’s main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted on 24 May 2021 and do not have an impact on the balance sheet of the company at 31 December 2020.
8 Debtors

Debtors: amounts due within one year

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 000</td>
<td>$ 000</td>
</tr>
<tr>
<td>Amounts owed by Group undertakings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parent undertakings</td>
<td>1,348,777</td>
<td>649,057</td>
</tr>
<tr>
<td>Fellow subsidiary undertakings</td>
<td>28,444</td>
<td>26,199</td>
</tr>
<tr>
<td>Accrued income by Parent undertakings</td>
<td>38,393</td>
<td>39,067</td>
</tr>
<tr>
<td>Tax receivable</td>
<td>-</td>
<td>2,275</td>
</tr>
<tr>
<td></td>
<td><strong>1,415,614</strong></td>
<td><strong>716,598</strong></td>
</tr>
</tbody>
</table>

Loans receivable owed by parent undertakings include a loan of $1,350,000,000 ($1,348,777,526 after effect of unamortised fees and discounts) which is unsecured, bearing effective interest at 4.16% and is repayable in October 2021 (2019: $650,000,000 repayable in December 2020, bearing effective interest at 4.28%). All amounts owed by fellow subsidiary undertakings are unsecured, bear interest ranging from 0% to 4.46% and are repayable on demand.

Debtors: amounts due after one year

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 000</td>
<td>$ 000</td>
</tr>
<tr>
<td>Amounts owed by Group undertakings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parent undertakings</td>
<td><strong>4,967,273</strong></td>
<td><strong>6,050,783</strong></td>
</tr>
</tbody>
</table>

Non current amounts owed by parent undertakings are unsecured, bearing effective interest at fixed interest rates ranging from 1.27% to 5.29% and are repayable between 2022 and 2041.
BG Energy Capital plc

Notes to the financial statements for the year ended 31 December 2020 (continued)

8 Debtors (continued)

The financial assets after impairment allowance as at 31 December 2020 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 000</td>
<td>$ 000</td>
</tr>
<tr>
<td><strong>At amortised cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans receivable from Parent undertakings</td>
<td>6,318,086</td>
<td>6,701,417</td>
</tr>
<tr>
<td>Amounts owed by Group undertakings</td>
<td>66,838</td>
<td>65,266</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,384,924</strong></td>
<td><strong>6,766,683</strong></td>
</tr>
</tbody>
</table>

|                                | 2020     |          |
|                                | ECL allowance | $ 000    | Carrying amount | $ 000    |
| Loans receivable from Parent undertakings | (2,036) | 6,316,050 |
| Amounts owed by Group undertakings | - | 66,838 |
| **Total**                      | (2,036) | **6,382,888** |

|                                | 2019     |          |
|                                | ECL allowance | $ 000    | Carrying amount | $ 000    |
| Loans receivable from Parent undertakings | (1,577) | 6,699,840 |
| Amounts owed by Group undertakings | - | 65,266 |
| **Total**                      | (1,577) | **6,765,106** |

The Company has recorded all financial assets at amortised cost.

The impairment provision required under IFRS 9 was calculated using 12 month ECLs. No assets were assessed as credit impaired.
BG Energy Capital plc

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 000</td>
<td>$ 000</td>
<td></td>
</tr>
<tr>
<td>Borrowings: Bonds</td>
<td>1,387,185</td>
<td>688,112</td>
</tr>
<tr>
<td>Tax liability</td>
<td>65</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,387,250</strong></td>
<td><strong>688,112</strong></td>
</tr>
</tbody>
</table>

Current borrowings owed to external parties includes a bond amounting to $1,350,000,000 ($1,348,777,526 after effect of unamortised fees and discounts) bearing effective interest at 4.16%, repayable in October 2021 and accrued interest of $38,412,000 (2019: $650,000,000 bearing effective interest at 4.28%, repayable in December 2020).

10 Creditors: amounts falling due after more than one year

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 000</td>
<td>$ 000</td>
<td></td>
</tr>
<tr>
<td>Borrowings: Bonds</td>
<td>4,969,309</td>
<td>6,052,207</td>
</tr>
</tbody>
</table>

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

Non current amounts owed to external parties, bear effective interest at fixed interest rates ranging from 1.27% to 5.29% and are repayable between 2022 and 2041.
11 Financial instruments

Treasury policy and risk management

The Company raises funds in the capital markets and lends such funds to other members of the Shell 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 cashflow and financial position.

The Company mitigates foreign exchange risk by generally seeking to match the currencies of its non-USD inter-company loans with those of its non-USD 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 into 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 inter-company 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 Shell 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 Shell 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 risks.
BG Energy Capital plc

Notes to the financial statements for the year ended 31 December 2020 (continued)

11 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 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>$ 000</td>
<td>$ 000</td>
</tr>
<tr>
<td>Less than one year</td>
<td>1,415,615</td>
<td>716,598</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>1,971,888</td>
<td>2,214,647</td>
</tr>
<tr>
<td>After five years</td>
<td>2,995,385</td>
<td>3,836,136</td>
</tr>
<tr>
<td>Total</td>
<td>6,382,888</td>
<td>6,767,381</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial liabilities</td>
<td>$ 000</td>
<td>$ 000</td>
</tr>
<tr>
<td>Less than one year</td>
<td>(1,387,185)</td>
<td>(688,112)</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>(1,972,751)</td>
<td>(2,215,169)</td>
</tr>
<tr>
<td>After five years</td>
<td>(2,996,558)</td>
<td>(3,837,038)</td>
</tr>
<tr>
<td>Total</td>
<td>(6,356,494)</td>
<td>(6,740,319)</td>
</tr>
</tbody>
</table>

12 Directors' emoluments

The Directors' emoluments for the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emoluments</td>
<td>$ 000</td>
<td>$ 000</td>
</tr>
<tr>
<td></td>
<td>1,190</td>
<td>887</td>
</tr>
</tbody>
</table>

During the year the number of Directors who were receiving retirement benefits are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares receivable by Directors</td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td>Accruing benefits under defined benefit pension scheme</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

In respect of the highest paid Director:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td></td>
<td>373</td>
<td>451</td>
</tr>
</tbody>
</table>
BG Energy Capital plc

Notes to the financial statements for the year ended 31 December 2020 (continued)

13 Called up share capital

Allotted, called up and fully paid shares

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th></th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>$ 000</td>
<td>No.</td>
<td>$ 000</td>
</tr>
<tr>
<td>Issued share capital of £1 each</td>
<td>50,002</td>
<td>61</td>
<td>50,002</td>
<td>61</td>
</tr>
</tbody>
</table>