

BG Energy Holdings Limited

Annual Report

and

Financial Statements

For the year ended 31 December 2020

The financial statements signed by the Board of Directors on 28 September 2021 represent the final relevant accounts for the year-ended 31 December 2020, filed with Companies House. These replace an earlier version presented with a signature of 21 June 2021 and include a revision for impairment charges taken in the current and prior year in respect of investments in subsidiary undertakings.

BG Energy Holdings Limited

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BG Energy Holdings Limited

Strategic report for the year ended 31 December 2020

The Directors present their Strategic report on BG Energy Holdings Limited (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 holding company, that owns, directly or indirectly, investments in numerous Shell Group companies. Shell is an international energy company with expertise in the exploration, development, production, refining and marketing of oil and natural gas; the manufacturing and marketing of chemicals and investments in low-carbon energy solutions and other commercial opportunities linked to the energy transition.

The principal activities of the Company mainly comprise investing in and financing companies of the Shell Group. The Company will continue with these activities for the foreseeable future.

The Company's result for the financial year decreased from a profit of \$3,623 million (restated) to a loss of \$1,113 million. This decrease can be primarily attributed to the decrease in income from shares in subsidiary undertakings of \$3,313 million (2019: \$10,254 million), partially offset by a decrease in impairment charge (net) of \$4,102 million (2019: \$6,114 million (restated)) provided against the Company's investment in subsidiaries.

Management has assessed that there are indicators of impairment in the investments held by the Company as a result of revised medium- and long-term price outlook assumptions in response to the energy market demand and supply fundamentals as well as the COVID-19 pandemic and macroeconomic conditions. Management has therefore performed impairment testing of material investments and recorded impairments for \$4,107 million during the current financial year.

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.

BG Energy Holdings Limited

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

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 entity's intra group floating rate borrowing and lending will be affected by the market-wide replacement of LIBOR by alternative risk-free reference rates, most significantly by reform of dollar LIBOR. Loans will be transitioned at economically equivalent rates.

During 2020, Shell treasury established a new IBOR transition project plan. This transition project is considering changes to systems, processes, risk management and valuation models, as well as managing any related tax and accounting implications. In January 2021, the Company transitioned its floating interest rate loan of GBP 1,110 million from GBP LIBOR to SONIA. The Company has applied the practical expedient of updating the effective interest rate prospectively since the change is a direct consequence of IBOR reform. Therefore, no gain or loss or change to the carrying value of the financial instrument will be recognised in year 2021.

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.

BG Energy Holdings Limited

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

Going concern

The balance sheet at 31 December 2020 reports a net current liability of \$1,124 million (2019: \$789 million). The financial statements have been prepared under the going concern basis. This is due to the surplus liquidity available to Company in the form of current account facilities and undrawn committed loan facilities with associated companies, in comparison to the undrawn commitments and liabilities due to entities not subject to the direct or indirect control of the Company, which will enable the Company to meet its liabilities and commitments over the going concern period to 30 September 2022.

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.

BG Energy Holdings Limited

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


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 28 September 2021 and signed on its behalf by:

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J.G. Connell
Director

BG Energy Holdings Limited

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

Interim dividends of \$1,508 million were paid in the year (2019: \$1,530 million). The Directors recommend that no further dividend be paid for the year ended 31 December 2020 (2019: \$nil).

Future Outlook

No significant change in the business of the Company or of its subsidiary undertakings 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 (except as noted) were as follows:

E.C. Andrew

J.G. Connell

S.B. Critchlow (appointed 31 January 2020)

M.J. Dawson

F. Hinden

R.L. O'Brien (resigned 5 February 2020)

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 Holdings Limited

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

Events after the end of the reporting period

On 1 March 2021 the Company paid an interim dividend in respect of the financial year ending 31 December 2020 of \$0.17 per share totalling \$500 million. On 8 September 2021 the Company paid an interim dividend in respect of the period ending 30 June 2021 of \$0.24 per share totalling \$700 million.

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 28 September 2021 and signed on its behalf by:

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J.G. Connell
Director

Independent Auditor's report to the Member of BG Energy Holdings Limited

Opinion

We have audited the financial statements of BG Energy Holdings Limited (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, the Statement of cash flows, and the related notes 1 to 21, 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, 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.

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 September 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.

Independent Auditor's report to the Member of BG Energy Holdings Limited (continued)

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.

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.

Independent Auditor's report to the Member of BG Energy Holdings Limited (continued)

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;
 - and any relevant correspondence received from regulatory bodies.

Independent Auditor's report to the Member of BG Energy Holdings Limited (continued)

- 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 the results of our risk assessment 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.

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.

Use of our report

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

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

Date: 29 September 2021

BG Energy Holdings Limited

Profit and loss account for the year ended 31 December 2020

Continuing operations

	Note	2020 \$ m	Restated* 2019 \$ m
Administrative expenses		<u>(2)</u>	<u>(2)</u>
OPERATING LOSS	7	(2)	(2)
Income from shares in subsidiary undertakings		3,291	10,234
Income from participating undertakings		22	20
Amounts provided against investments	10	(4,102)	(6,114)
Profit from disposals of investments		<u>12</u>	<u>-</u>
(LOSS)/PROFIT BEFORE INTEREST AND TAXATION		(779)	4,138
Interest receivable and similar income	5	352	345
Interest payable and similar charges	6	<u>(685)</u>	<u>(967)</u>
(LOSS)/PROFIT BEFORE TAXATION		(1,112)	3,516
Tax on (loss)/profit	9	<u>(1)</u>	<u>107</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(1,113)</u>	<u>3,623</u>

* Refer to note 3 on prior period restatements.


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 Holdings Limited
(Registration number: 03763515)
Balance sheet as at 31 December 2020

	Note	2020 \$ m	Restated* 2019 \$ m
Fixed assets			
Investments	10	26,790	30,436
Current assets			
Debtors: amounts due more than one year	11	6,257	6,032
Debtors: amounts due within one year	11	3,417	5,353
Creditors: amounts falling due within one year	12	<u>(4,541)</u>	<u>(6,142)</u>
Net current liabilities		<u>(1,124)</u>	<u>(789)</u>
Total assets less current liabilities		31,923	35,679
Creditors: amounts falling due after more than one year	13	(17,910)	(19,055)
Deferred tax	9	<u>(43)</u>	<u>(33)</u>
Net assets		<u>13,970</u>	<u>16,591</u>
Equity			
Called up share capital	15	3,562	3,562
Share premium reserve		388	388
Other reserves		4,000	4,000
Profit and loss account		<u>6,020</u>	<u>8,641</u>
Total equity		<u>13,970</u>	<u>16,591</u>

* Refer to note 3 on prior period restatements.

The financial statements on pages 11 to 50 were authorised for issue by the Board of Directors on 28 September 2021 and signed on its behalf by:

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 J.G. Connell
 Director

BG Energy Holdings Limited

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

	Called up share capital \$ m	Share premium reserve \$ m	Other reserves \$ m	Restated* Profit and loss account \$ m	Total \$ m
Balance as at 1 January 2019 (as restated*)	3,562	388	-	10,548	14,498
Profit for the year** (as restated*)	-	-	4,000	(377)	3,623
Dividends paid (refer note 16)	-	-	-	(1,530)	(1,530)
Balance as at 31 December 2019 (as restated*)	3,562	388	4,000	8,641	16,591
Balance as at 1 January 2020 (as restated*)	3,562	388	4,000	8,641	16,591
Loss for the year	-	-	-	(1,113)	(1,113)
Dividends paid (refer note 16)	-	-	-	(1,508)	(1,508)
Balance as at 31 December 2020	3,562	388	4,000	6,020	13,970

* Refer to note 3 on prior period restatements.

** In 2019, the Company received dividend income of \$4,000 million from subsidiary BGUKH and is considered to be fully realised in the Company. The dividend relates to earnings originating from an internal restructure within the Shell Group and is not currently considered to be a realised profit at the point of common control of the companies involved, being the Shell Group's parent company, Royal Dutch Shell plc. The dividend income received in the Company has therefore been presented within a separate reserve in equity and will be transferred into the profit and loss account upon realisation of the earnings at a Royal Dutch Shell plc level.

BG Energy Holdings Limited

Statement of cash flows for the year ended 31 December 2020

			Restated*
	Note	2020 \$ m	2019 \$ m
Cash flows from operating activities			
(Loss)/profit before taxation		(1,112)	3,516
Adjustments for:			
Movement in impairment provisions		4,102	6,114
Profit from disposals of investments		(12)	-
Dividend income		(3,313)	(10,254)
Net finance cost		333	622
Decreases in working capital		<u>(1,039)</u>	<u>(7,189)</u>
Net cash flows (used in)/from operating activities		<u>(1,041)</u>	<u>(7,191)</u>
Cash flows from investing activities			
Interest received		352	345
Capital invested (net) in subsidiary undertakings	10	(445)	(906)
Dividends received from subsidiary undertakings		3,291	10,234
Dividends received from participating undertakings		<u>22</u>	<u>20</u>
Net cash flows from investing activities		<u>3,220</u>	<u>9,693</u>
Cash flows from financing activities			
Interest paid		(671)	(972)
Dividend paid	16	<u>(1,508)</u>	<u>(1,530)</u>
Net cash (used in) financing activities		<u>(2,179)</u>	<u>(2,502)</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 December		<u><u>-</u></u>	<u><u>-</u></u>

* Refer to note 3 on prior period restatements.

BG Energy Holdings Limited

Notes to the financial statements for the year ended 31 December 2020

General information

The Company is a private 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 accounting policies have been consistently applied.

Going concern

The balance sheet at 31 December 2020 reports a net current liability of \$1,124 million (2019: \$789 million). The financial statements have been prepared under the going concern basis. This is due to the surplus liquidity available to Company in the form of current account facilities and undrawn committed loan facilities with associated companies, in comparison to the undrawn commitments and liabilities due to entities not subject to the direct or indirect control of the Company, which will enable the Company to meet its liabilities and commitments over the going concern period to 30 September 2022.

New standards applied

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no material impact to the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

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.

BG Energy Holdings Limited

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

1 Accounting policies (continued)

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':
 - (i) 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);
 - (ii) 16 (statement of compliance with all IFRS);
 - (iii) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
 - (iv) 38B-D (additional comparative information);
 - (v) 40A-D (requirements for a third balance sheet); and
 - (vi) 134-136 (capital management disclosures)
- 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.

BG Energy Holdings Limited

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

1 Accounting policies (continued)

Consolidation

The financial statements contain information about BG Energy Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Royal Dutch Shell plc, a company incorporated in England and Wales.

The immediate parent company is BG Group Limited.

The ultimate parent company and controlling party is Royal Dutch Shell plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

The consolidated financial statements 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

Income from shares in subsidiary and participating undertakings

Income from shares in subsidiary and participating undertakings represents dividends relating to the current year and prior periods. Dividends are recognised on a paid basis unless the dividend has been confirmed by a general meeting of the subsidiary and participating undertakings, in which case income is recognised on the date at which receipt is deemed virtually certain.

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.

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.

BG Energy Holdings Limited

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

1 Accounting policies (continued)

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and credits carried forward can be utilized.

Deferred tax assets and liabilities is measured at the using corporation tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Amounts relating to deferred tax are undiscounted.

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 US Dollars (\$), 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.

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.

BG Energy Holdings Limited

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

1 Accounting policies (continued)

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. For equity instruments, on initial recognition, an irrevocable election (on an instrument-by-instrument basis) can be made to designate these as at FVOCI (without recycling to profit and loss) instead of FVTPL. Dividends received on equity instruments are recognised as other income in profit or loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

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.

As a result of COVID-19, there continues to be significant uncertainty in the macroeconomic conditions with an expected negative impact on global economic environment. Therefore, this has an impact on our customers who are also exposed to the same macroeconomic changes. The Company however has Credit-risk policies in place to ensure that sales are made to customers with appropriate creditworthiness, and include detailed credit analysis and monitoring of customers against counterparty credit limits. Where appropriate, netting arrangements, credit insurance, prepayments and collateral are used to manage credit risk. Therefore the Company's risk of exposure to bad debts is not significant.

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 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.

Derivative contracts

Derivative contracts are entered into by the Company for management of interest rate risk and foreign exchange risk and are carried at fair value. The gains or losses arising from changes in fair value are recognised in the profit and loss account within interest income or expenses in the period in which they arise.

BG Energy Holdings Limited

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

1 Accounting policies (continued)

Investment in subsidiaries and participating undertakings

These comprise investments in shares and loans that the Company intends to hold on a continuing basis. The investments in subsidiaries and participating undertakings are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with IAS 36. Any impairments are recorded in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of an investment in shares and loans increases because of a change in economic conditions, the resulting reversal of the impairment loss is recognised in the current year to the extent that it increases the carrying amount of the investment up to the amount it would have been had the original impairment not occurred.

Management has assessed that there are indicators of impairment in the investments held by the Company as a result of revised medium- and long-term price outlook assumptions in response to the energy market demand and supply fundamentals as well as the COVID-19 pandemic and macroeconomic conditions. Management has therefore performed impairment testing of material investments and recorded impairments wherever necessary (Refer Investments note 10).

Netting off policy

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

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

Financial Guarantees

Financial guarantees are initially recognised at fair value and are subsequently measured at the higher of (a) the IFRS 9 Expected Credit Loss (ECL) allowance and (b) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IFRS 15.

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.

BG Energy Holdings Limited

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

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of investments

Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. For the purposes of determining whether impairment of investments has occurred, and the extent of any impairment or its reversal, management review a range of measures relating to the underlying entity's performance, including the net present value of future cash flows. In assessing these measures, management make a number of assumptions relating (but not restricted) to future oil and gas prices, expected production volumes and refining margins appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates.

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 Prior period adjustments

Management has restated the profit reported for the financial year 2019 and the opening reserves as at 1 January 2019 as an outcome of a detailed review of the recoverable values ascertained for the impairment of investments in subsidiaries. The revision to the recoverable values of investments in subsidiaries resulted in an additional impairment (charge)/credit to the opening reserves and to the profit and loss account of 2019 as appropriate. The table below provides an overview of the amounts restated in each of the financial statement captions.

	Balance as at 1 January 2019 (as previously reported)	Restatement as at 1 January 2019	Restated balance as at 1 January 2019
	\$m	\$m	\$m
Balance Sheet			
Equity			
Profit and loss account balance	12,358	(1,810)	10,548
	Balance as at 31 December 2019 (as previously reported)	Restatement as at 31 December 2019	Restated balance as at 31 December 2019
	\$m	\$m	\$m
Equity			
Profit and loss account balance	10,669	(2,028)	8,641
Fixed assets			
Investments	32,464	(2,028)	30,436

BG Energy Holdings Limited

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

3 Prior period adjustments (continued)

	Amounts for the year ended 31 December 2019 (as previously reported) \$m	Restatement for the year 2019 \$m	Restated amounts for the year ended 31 December 2019 \$m
Profit and loss account			
Amounts provided against investments	(5,896)	(218)	(6,114)

4 Financial instruments

The Company has the following financial assets and liabilities measured at fair value through profit or loss:

	2020	2019
	\$ m	\$ m
Derivative financial assets	198	32
Derivative financial liabilities	<u>(286)</u>	<u>(259)</u>

The Company enters into derivative financial instruments to mitigate the exchange rate risk and interest rate risk for certain loan balances outstanding with subsidiaries. At 31 December 2020, the outstanding contracts all mature within 13 years (2019: 14 years) of the year end.

The forward foreign currency contracts and interest rate swap contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the relevant exchange rate and interest rate indexes. The valuation of derivatives instruments is carried out on commercial terms and conditions and at market rates.

BG Energy Holdings Limited

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

5 Interest receivable and similar income

	2020	2019
	\$ m	\$ m
Interest from Group undertakings:		
Subsidiary undertakings	120	202
Fellow subsidiary undertakings	139	5
Profit on currency translation	8	6
Other interest income	51	67
Gains on derivative financial instruments	34	65
	<u>352</u>	<u>345</u>

6 Interest payable and similar charges

	2020	2019
	\$ m	\$ m
Interest on loans from Group undertakings:		
Subsidiary undertakings	236	259
Fellow subsidiary undertakings	398	626
Interest on bank overdrafts and borrowings	51	82
	<u>685</u>	<u>967</u>

7 Operating loss

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

8 Auditor's remuneration

The Auditor's remuneration of \$29,313 (2019: \$26,021) in respect of the statutory audit was borne by another Group Company 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 accounts are required to disclose such fees on a consolidated basis.

BG Energy Holdings Limited

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

9 Tax on (loss)/profit

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

The tax charge for the year of \$1 million (2019: credit of \$107 million) is made up as follows:

	2020	2019
	\$ m	\$ m
Current taxation		
UK corporation tax	(72)	(129)
UK corporation tax adjustment to prior periods	<u>63</u>	<u>12</u>
Total current tax (credit)	<u>(9)</u>	<u>(117)</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	<u>10</u>	<u>10</u>
Total deferred tax charge	<u>10</u>	<u>10</u>
Tax charge/(credit) in the profit and loss account	<u><u>1</u></u>	<u><u>(107)</u></u>

BG Energy Holdings Limited

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

9 Tax on (loss)/profit (continued)

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:

	(As restated)	
	2020	2019
	\$ m	\$ m
(Loss)/profit before tax	<u>(1,112)</u>	<u>3,516</u>
Tax on (loss)/profit calculated at standard rate (2020: 19%) (2019: 19%)	(211)	668
Effects of:		
Income exempt from taxation	(634)	(1,950)
Expenses not deductible	779	1,162
Adjustments in respect of prior periods	63	12
Currency translation adjustments	(1)	(6)
Deferred tax (credit)/expense relating to changes in tax rates or laws	4	(1)
Tax on imputed interest	<u>1</u>	<u>8</u>
Total tax charge/(credit)	<u>1</u>	<u>(107)</u>

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%.

Deferred taxes on the balance sheet have been measured at 19% (2019: 17%) which represents the future corporation tax rate that was enacted at the balance sheet date.

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 after the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end.

BG Energy Holdings Limited

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

9 Tax on (loss)/profit (continued)

Deferred tax liabilities as at:

	Liability
	\$ m
2020	
Derivatives	<u>(43)</u>
2019	
Derivatives	<u>(33)</u>

Deferred tax movement during the year:

	At 1 January	Recognised in	At
	2020	profit and	31 December
	\$ m	loss account	2020
	\$ m	\$ m	\$ m
Derivatives	<u>(33)</u>	<u>(10)</u>	<u>(43)</u>

Deferred tax movement during the prior year:

	At 1 January	Recognised in	At
	2019	profit and	31 December
	\$ m	loss account	2019
	\$ m	\$ m	\$ m
Derivatives	<u>(23)</u>	<u>(10)</u>	<u>(33)</u>

The provision for deferred tax consists of the following deferred tax liabilities:

	2020	2019
	\$ m	\$ m
Deferred tax liabilities due more than 12 months	<u>(43)</u>	<u>(33)</u>
Total deferred tax provision	<u>(43)</u>	<u>(33)</u>

BG Energy Holdings Limited

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

10 Investments

	Subsidiary undertakings shares \$ m	Participating undertakings shares \$ m	Total \$ m
Cost			
Balance at 1 January 2020	39,320	255	39,575
Additions	462	-	462
Disposals	(332)	-	(332)
Balance at 31 December 2020	<u>39,450</u>	<u>255</u>	<u>39,705</u>
Amounts provided			
Balance at 1 January 2020 (as restated*)	(9,097)	(42)	(9,139)
Additions	(4,107)	-	(4,107)
Disposals	326	-	326
Amounts written back	5	-	5
Balance at 31 December 2020	<u>(12,873)</u>	<u>(42)</u>	<u>(12,915)</u>
Carrying amount			
At 31 December 2020	<u>26,577</u>	<u>213</u>	<u>26,790</u>
At 31 December 2019 (as restated*)	<u>30,223</u>	<u>213</u>	<u>30,436</u>

* Refer to note 3 on prior period restatements.

BG Energy Holdings Limited

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

10 Investments (continued)

The Directors believe that the carrying value of the investments is supported by their underlying net assets or discounted cash flows.

During the year, the Company recorded an impairment of \$4,107 million, as a result of revised medium- and long-term price outlook assumptions in response to the energy market demand and supply fundamentals as well as the COVID-19 pandemic and macroeconomic conditions.

For the purposes of determining whether impairment of investments in subsidiaries has occurred, and the extent of any impairment loss or its reversal, the key assumptions management uses in estimating risk-adjusted future cash flows for value-in-use measures include future oil and gas prices, expected production volumes and refining margins appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Cash flow estimates are risk-adjusted to reflect local conditions as appropriate and discounted using pre-tax rate of 6% (2019: 6%). These cash flows were adjusted for the risks specific to the assets, and therefore these risks were not included in the determination of the discount rate applied.

Oil and gas price assumptions applied for impairment testing are reviewed and, where necessary, adjusted on a periodic basis. Reviews include comparison with available market data and forecasts that reflect developments in demand such as global economic growth, technology efficiency, policy measures and, in supply, consideration of investment and resource potential, cost of development of new supply, and behaviour of major resource holders. The near-term commodity price assumptions applied in impairment testing were as follows:

Commodity price assumptions [A]

	2021	2022	2023	2024
Brent crude oil (\$/b)	40	50	60	63
Henry Hub Natural gas (\$/MMBtu)	2.50	2.50	2.75	3.03

[A] Money of the day

For periods after 2024, the real-term long-term price assumptions applied were \$60 per barrel (b) (2019:\$60/b) for Brent crude oil and \$3.00 per million British thermal units (/MMBtu) (2019: \$3.00/MMBtu) for Henry Hub natural gas, both at real term 2020.

A list of the Company's subsidiary and participating undertakings as at 31 December 2020 is included in note 20. The Company has also provided a capped, committed equity facility to BG International Limited, in order to assist in meeting certain liabilities as they fall due if required.

BG Energy Holdings Limited

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

11 Debtors

Debtors: amounts due within one year

	2020	2019
	\$ m	\$ m
Amounts owed by Group undertakings:		
Parent undertakings	418	418
Subsidiary undertakings	294	2,249
Fellow subsidiary undertakings*	2,523	2,428
Amounts owed by participating undertakings	16	16
Derivative contracts	15	12
Tax receivable	151	230
	3,417	5,353
	3,417	5,353

Amounts owed by parent and subsidiary undertakings are unsecured, interest free and payable on demand. Amounts owed by fellow subsidiary undertaking are payable upon demand bearing interest rates ranging from 0.00% to 0.50%.

*Prior year comparative numbers relating to current account balances maintained with Group Treasury Companies have been corrected to present balances on a gross basis where previously presented on a net basis. The change in presentation has no impact to net current assets, profit for the year or the equity position, and results in grossing up amounts owed by group undertakings and amounts due to group undertakings by \$2,233 million.

Debtors: amounts due after one year

	2020	2019
	\$ m	\$ m
Amounts owed by Group undertakings:		
Subsidiary undertakings	6,073	6,011
Derivative contracts	183	20
Other debtors	1	1
	6,257	6,032
	6,257	6,032

Amounts owed by Group undertakings and due after one year include unsecured balances bearing interest at USD LIBOR/BBSW plus margins ranging from 0.90% to 1.23% with the last loan receivable due in August 2027.

No assets were assessed as credit impaired. The Company has recorded all financial assets at amortised cost.

BG Energy Holdings Limited

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

12 Creditors: amounts falling due within one year

	2020	2019
	\$ m	\$ m
Amounts owed to Group undertakings		
Subsidiary undertakings	4,353	3,821
Fellow subsidiary undertakings*	66	2,311
Derivative liabilities	122	10
	4,541	6,142
	4,541	6,142

Amounts owed to Group undertakings include balances bearing interest at a fixed rate of 4.2%.

The Company has recorded all financial liabilities at amortised cost.

*Prior year comparative numbers relating to current account balances maintained with Group Treasury Companies have been corrected to present balances on a gross basis where previously presented on a net basis. The change in presentation has no impact to net current assets, profit for the year or the equity position, and results in grossing up amounts owed by group undertakings and amounts due to group undertakings by \$2,233 million.

13 Creditors: amounts falling due after more than one year

	2020	2019
	\$ m	\$ m
Amounts owed to Group undertakings		
Subsidiary undertakings	4,229	5,348
Fellow subsidiary undertakings	13,517	13,458
Derivative liabilities	164	249
	17,910	19,055
	17,910	19,055

	2020	2019
	\$ m	\$ m
Amounts fall due after more than five years		
Loans from subsidiary undertakings	2,251	3,129
Loans from fellow subsidiary undertakings	13,517	13,458
	15,768	16,587
	15,768	16,587

BG Energy Holdings Limited

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

13 Creditors: amounts falling due after more than one year (continued)

Amounts owed to Group undertakings and due after one year include balances bearing interest at 3M USD/GBP LIBOR plus margins ranging from 0.89% to 1.66% and fixed interest rates ranging from 1.27% to 5.29% with the last loan payable due in October 2041.

The Company has recorded all financial liabilities at amortised cost.

The Company has guaranteed contractual payments, and related interest, in respect of listed debt issued by its direct subsidiary BG Energy Capital plc totalling \$6,360 million at 31 December 2020 (2019: \$6,748 million). As at 31 December 2020, \$5,335 million (2019: \$5,763 million) has been on-lent to the Company, under the same contractual terms.

14 Pension and other schemes

The Company is a Member Company of the BG Pension Scheme ("BGPS"), a defined benefit registered pension plan established under trust. The Trustee is BG Group Pension Trustees Limited. The BGPS is funded to cover future pension liabilities in respect of service up to the closure of the scheme. It is subject to an independent valuation at least every three years, on the basis of which the independent qualified actuary certifies the rate of employers' contributions that, together with the returns on the BGPS's assets, are expected to be sufficient to fund the benefits payable.

The BGPS closed to future accrual of benefits on 31 December 2013 and all active members became deferred pensioners with pensions calculated based on salaries up until the point of closure for such active members. These deferred pensions are generally revalued in line with movements in the Retail Prices Index. Certain benefits relating to individual transfers-in and purchases of additional pensionable service by employees retain a link to pensionable salary post-closure.

The last full independent actuarial valuation of the BGPS for funding purposes showed that the aggregate market value of the plan assets at 31 March 2020 was £2,081 million, representing 95% of the accrued liabilities. The next full funding valuation is expected to be performed with an effective date of 31 March 2023. As part of the funding agreement in respect of the 2011 actuarial valuation and the closure of the BGPS to future accrual of benefits, a subsidiary undertaking, BG International Limited ("BGI") and the Trustee established a Pension Funding Partnership ("PFP") to address the deficit and to provide greater security to the Trustee.

BG Energy Holdings Limited

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

14 Pension and other schemes (continued)

In December 2013, BGI acquired an interest in the PFP for £110 million. It also contributed £350 million to the BGPS and the Trustee used this to purchase its interest in the PFP. The PFP had an interest in loans due from a fellow subsidiary undertaking, Methane Service Limited (“MSL”), secured on four ships owned by MSL. The proceeds from the loans were to be used to make annual distributions of £33 million to the BGPS for 15 years and to pay a capital sum in 2028 of £172 million which would have been used, if necessary, to fund any deficit in the BGPS at that time, measured on a ‘self-sufficiency’ funding basis. In December 2014, MSL entered into an agreement for the sale of two of these LNG ships for proceeds of \$460 million, which completed in March 2015. From this sale, MSL repaid £220 million of the loans due to the PFP, which were utilised to support the funding of the BGPS. As such the amount of ongoing annual distributions reduced to £16.5 million and the capital sum due in 2028 was revised to £86 million. As part of the establishment of the PFP, it was agreed that certain additional payments into the BGPS may be required.

The Company is unable to identify its share of the scheme’s underlying assets and liabilities on a consistent and reasonable basis to enable it to account for the plan as a defined benefit plan. There are no contractual or stated policies on which to base an allocation of the Fund's underlying assets and liabilities to member companies. Accordingly, the Company will continue to account for the BGPS as a defined contribution scheme.

A valuation was performed for accounting purposes at 31 December 2020 using assumptions set in line with the requirements of the IAS19 accounting standard. The principal financial assumptions adopted in the valuation were a discount rate of 1.48% (2019: 2.05%), and a price inflation rate of 2.77% (2019: 2.72%). The value of the BGPS’s assets as at that date was £2,051 million and the value of the liabilities on this accounting basis was £1,709 million, meaning the surplus measured for accounting purposes was £342 million.

The Company’s contributions to the BGPS for the year amounted to \$nil (2019: \$nil).

15 Called up share capital

Allotted, called up and fully paid shares

	No.	2020 \$	No.	2019 \$
Issued ordinary shares of £1 each	<u>2,898,413,870</u>	<u>3,562,440,488</u>	<u>2,898,413,870</u>	<u>3,562,440,488</u>

16 Dividends

Interim dividends of \$1,508 million were paid in the year (2019: \$1,530 million). This consists of payments of \$0.35 per share totalling \$1,008 million on 14 February 2020 and \$0.17 per share totalling \$500 million on 14 September 2020. The Directors recommend no further dividend be paid for the year ended 31 December 2020 (2019: \$nil).

BG Energy Holdings Limited

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

17 Directors' emoluments

The Directors' emoluments for the year were as follows:

	2020	2019
	\$	\$
Emoluments	<u>1,074,443</u>	<u>805,615</u>

The number of Directors who were receiving employee benefits as at 31 December 2020 are as follows:

	2020	2019
	No.	No.
Shares receivable by Directors	5	5
Accruing benefits under defined benefit pension scheme	<u>5</u>	<u>5</u>

In respect of the highest paid Director:

	2020	2019
	\$	\$
Emoluments	317,416	300,291
Defined benefit accrued pension entitlement at the end of the period	75,066	42,296

During the year the highest paid Director received or was entitled to receive shares under a long term incentive scheme.

These emoluments and pensions were not borne by the Company and hence not charged in the profit and loss account.

18 Contingent liabilities

The Company has issued financial guarantees for Train 1 and Train 3 gas supply contracts for an amount up to \$2,174 million and \$370 million respectively. The guarantees are provided to Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited, on behalf of Shell Trinidad and Tobago Limited and ENI Trinidad and Tobago Limited, for their obligations under the gas supply contracts between Shell Trinidad and Tobago Limited, ENI Trinidad and Tobago Limited, and Petroleum Company of Trinidad and Tobago Limited (jointly, as Seller) and Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited (as Buyer). In the judgement of the Directors, no material liability is expected to arise from this contingent liability.

BG Energy Holdings Limited

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

19 Events after the end of the reporting period

On 1 March 2021 the Company paid an interim dividend in respect of the financial year ending 31 December 2020 of \$0.17 per share totalling \$500 million. On 8 September 2021 the Company paid interim dividend in respect of the period ending 30 June 2021 of \$0.24 per share totalling \$700 million.

20 Related party transactions

Related parties comprise entities which are in the nature of an associate or member of the Shell Group of which reporting entity (BG Energy Holdings Limited) is a member.

The details of related party transactions during the year are as follows:

Related party name	Receivable balance as at		Dividend received during the year	
	2020 \$ m	2019 \$ m	2020 \$ m	2019 \$ m
Amilcar Petroleum Operations S.A.	16	16	-	-
Dragon LNG Group Limited	-	-	22	20

BG Energy Holdings Limited

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

21 List of Investments

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BC 789 Holdings Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
BG CPS Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
BNG (Surat) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine Power Station Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine 1 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine 2 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine 3 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Condamine 4 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
New South Oil Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
OME Resources Australia Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Petroleum Resources (Thailand) Pty. Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Pure Energy Resources Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
QCLNG Operating Company Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	75%
QCLNG Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC (B7) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC (Exploration) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC (Infrastructure) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Common Facilities Company Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 2 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 3 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 4 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 5 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 6 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 7 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Holdings 8 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
QGC Holdings 9 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Midstream Holdings Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Midstream Investments Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Midstream Land Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Midstream Limited Partnership*	Level 42, Bourke Place, 600 Bourke Street, Melbourne, VIC 3000, Australia	Ordinary	100%
QGC Midstream Services Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Northern Forestry Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Sales Qld Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 1 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 1 Tolling Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 1 UJV Manager Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 2 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
QGC Train 2 Tolling No.2 Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 2 Tolling Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Train 2 UJV Manager Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Upstream Finance Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Upstream Holdings Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Upstream Investments Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
QGC Upstream Limited Partnership*	Level 42, Bourke Place, 600 Bourke Street, Melbourne, VIC 3000, Australia	Ordinary	100%
Queensland Gas Company Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Roma Petroleum Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
SGA (Queensland) Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
SGAI Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Shell QGC Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Starzap Pty Ltd*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Sunshine 685 Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	100%
Walloons Coal Seam Gas Company Pty Limited*	Level 30, 275 George Street, Brisbane, QLD 4000, Australia	Ordinary	75%
Shell Trinidad and Tobago Resources SRL*	One Welches, Welches, St. Thomas, BB22025, Barbados	Ordinary	100%
BG Comercio e Importacao Ltda.*	Avenida das Republica do Chile 330, 23° Andar, Torre 2, Centro, Rio de Janeiro, 20031-170, Brazil	Ordinary	100%
BG Petroleo & Gas Brasil Ltda.*	Avenida das Republica do Chile 330, 23° Andar (parte) - Torre 2, Centro, Rio de Janeiro, 20031-170, Brazil	Ordinary	100%
Shell Brasil Petroleo Ltda.*	Avenida República do Chile nº 330, Refer 'Notes' tab, Centro, Rio de Janeiro, 20031-170, Brazil	Ordinary	75%
Shell Energy do Brasil Gás Ltda.*	Avenida República do Chile nº 330, Bloco 2, Sala 2001, Centro, Rio de Janeiro, 20031-170, Brazil	Ordinary	75%
Shell Energy Merchants Canada Inc.*	400 4th Avenue S.W., Calgary, Alberta, T2P 0J4, Canada	Ordinary	100%
BG Egypt S.A.*	Piccadilly Centre, 28 Elgin Avenue, Suite 201, P.O. Box 2570, George Town, Grand Cayman, KY1-1103, Cayman Islands	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Exploration and Production India Limited*	Campbells, Floor 4, Willow House, Cricket Square, George Town, Grand Cayman, KY1-9010, Cayman Islands	Ordinary	100%
Gas Resources Limited*	Piccadilly Centre, 28 Elgin Avenue, Suite 201, P.O. Box 2570, George Town, Grand Cayman, KY1-1103, Cayman Islands	Ordinary	100%
Shell Bolivia Corporation*	Piccadilly Centre, 28 Elgin Avenue, Suite 201, P.O. Box 2570, George Town, Grand Cayman, KY1-1103, Cayman Islands	Ordinary	100%
Shell Chile S.A.*	c/o Carey y Cia Abogados, Miraflores 222, Piso 28, Santiago, Chile	Ordinary	100%
BG India Energy Private Limited*	3-C World Trade Tower, New Barakhamba Lane, New Delhi, 110001, India	Ordinary	100%
BG India Energy Services Private Limited*	3-C World Trade Tower, New Barakhamba Lane, New Delhi, 110001, India	Ordinary	100%
BG India Energy Solutions Private Limited*	3-C World Trade Tower, New Barakhamba Lane, New Delhi, 110001, India	Ordinary	100%
BG LNG Regas India Private Limited*	3-C World Trade Tower, New Barakhamba Lane, New Delhi, 110001, India	Ordinary	100%
BG Italia Power S.r.l.*	Via Tortona 25, Milano, 20144, Italy	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Brindisi LNG S.r.l.*	Via Vittor Pisani 16, Milano, 20124, Italy	Ordinary	100%
BG Mauritius LNG Holdings Ltd*	6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Mauritius	Ordinary	100%
BG Mumbai Holdings Limited*	6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Mauritius	Ordinary	100%
Shell Energy Mexico, S.A. de C.V.*	Av. Paseo de las Palmas 340, 1st floor, Colonia Lomas de Chapultepec, Delegación Miguel Hidalgo, Ciudad de México, 11000, Mexico	Ordinary	100%
BG Gas Brazil E&P 12 B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BG Gas International B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BG Gas International Holdings B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BG Gas Netherlands Holdings B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BG Gas Sao Paulo Investments B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	100%
BJS Oil Operations B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	60%
BJSA Exploration and Production B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	75%
Shell Brazil Holding B.V.*	Carel van Bylandtlaan 30, The Hague, 2596 HR, Netherlands	Ordinary	75%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Exploration and Production Nigeria Limited*	Freeman House, 21/22 Marina, P.M.B. 2418, Lagos, Nigeria	Ordinary	100%
BG Upstream A Nigeria Limited*	Freeman House, 21/22 Marina, P.M.B. 2418, Lagos, Nigeria	Ordinary	100%
BG Atlantic 1 Holdings Limited*	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG Atlantic 2/3 Holdings Limited	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG Atlantic 4 Holdings Limited*	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG Central Holdings Ltd.*	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG West Indies No. 2 Limited	Mercury Court, Choc Estate, Castries, Saint Lucia	Ordinary	100%
BG Asia Pacific Holdings Pte. Limited*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Asia Pacific Services Pte. Ltd.*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Exploration & Production Myanmar Pte. Ltd.*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Insurance Company (Singapore) Pte Ltd*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Myanmar Pte. Ltd.*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
Shell Gas Marketing Pte. Ltd.*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
Shell Integrated Gas Thailand Pte.Limited*	The Metropolis Tower 1, 9 North Buona Vista Drive, #07-01, Singapore, 138588, Singapore	Ordinary	100%
BG Energy Iberian Holdings, S.L.	Paseo de la Castellana, 257-6º, Madrid, 28046, Spain	Ordinary	100%
BG International Services AB*	Deloitte, P.O. Box 450, Östersund, 831 26, Sweden	Ordinary	100%
Fahari Gas Marketing Company Limited*	1st Floor Kilwa House, Plot 369, Toure Drive, Oyster Bay, P.O. Box 105833, Dar es Salaam, Tanzania	Ordinary	53%
Mzalendo Gas Processing Company Limited*	1st Floor Kilwa House, Plot 369, Toure Drive, Oyster Bay, P.O. Box 105833, Dar es Salaam, Tanzania	Ordinary	53%
Ruvuma Pipeline Company Limited*	1st Floor Kilwa House, Plot 369, Toure Drive, Oyster Bay, P.O. Box 105833, Dar es Salaam, Tanzania	Ordinary	53%
Tanzania LNG Limited*	1st Floor Kilwa House, Plot 369, Toure Drive, Oyster Bay, P.O. Box 105833, Dar es Salaam, Tanzania	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Thai Energy Company Limited*	10 Soonthornkosa Road, Klongtoey, Bangkok, 10110, Thailand	Ordinary	100%
BG 2/3 Investments Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad & Tobago	Ordinary	100%
Point Fortin LNG Exports Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad & Tobago	Ordinary	81%
Shell Gas Supply Trinidad Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad & Tobago	Ordinary	100%
Shell LNG T&T Ltd*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad & Tobago	Ordinary	100%
Shell Manatee Limited	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad & Tobago	Ordinary	100%
Shell Trinidad Central Block Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad & Tobago	Ordinary	100%
Shell Trinidad North Coast Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad & Tobago	Ordinary	100%
TRINLING Limited*	5 Saint Clair Avenue, Saint Clair, Port of Spain, Trinidad & Tobago	Ordinary	100%
Shell Tunisia LPG S.A.*	Immeuble Le Tanit du Lac, Rue du Lac Windermere, Les Berges du Lac, Tunis, 1053, Tunisia	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Tunisian Processing S.A.*	Immeuble Le Tanit du Lac, Rue du Lac Windermere, Les Berges du Lac, Tunis, 1053, Tunisia	Ordinary	100%
BG Central Holdings Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Cyprus Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Delta Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Employee Shares Trustees Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Energy Capital Plc	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Equatorial Guinea Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Gas Services Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Gas Supply (UK) Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG General Holdings Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG General Partner Limited	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, United Kingdom (UK)	Ordinary	100%
BG Great Britain Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG Group Employee Shares Trustees Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Group Pension Trustees Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Group Trustees Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Intellectual Property Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG International Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Karachaganak Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Kenya L10A Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Kenya L10B Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG LNG Investments Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Mongolia Holdings Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Netherlands*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Norge Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG North Sea Holdings Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
BG OKLNG Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Overseas Holdings Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Overseas Investments Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Overseas Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Pension Funding Scottish Limited Partnership*	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, United Kingdom (UK)	Ordinary	100%
BG Rosetta Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG South East Asia Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Subsea Well Project Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Tanzania Holdings Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG Trinidad LNG Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG UK Holdings Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Brazil Shipping I Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Methane Services Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Shell Exploration and Production Tanzania Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell Gas Marketing U.K Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell Global LNG Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell Hasdrubal Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell QGC Holdings Limited	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell QGC Midstream 1 Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell QGC Midstream 2 Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell QGC Upstream 1 Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell QGC Upstream 2 Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell South Asia LNG Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell Trinidad 5(A) Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell Trinidad and Tobago Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
Shell Trinidad Block E Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%

BG Energy Holdings Limited

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

21 List of Investments (continued)

Name of subsidiary	Registered office and Country of incorporation	Class of shares	% of ownership
Shell Tunisia Upstream Limited*	Shell Centre, London, SE1 7NA, United Kingdom (UK)	Ordinary	100%
BG (Uruguay) S.A.*	La Cumparsita, 1373 4th Floor, Montevideo, 11200, Uruguay	Ordinary	100%
Atlantic 2/3 Holdings LLC*	RL & F Service Corp, 920 N King St Floor 2, New Castle, Wilmington, DE 19801, USA	Ordinary	58%
Atlantic 4 Holdings LLC*	RL & F Service Corp, 920 N King St Floor 2, New Castle, Wilmington, DE 19801, USA	Ordinary	51%
BG Brasilia, LLC*	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Ordinary	75%
BG LNG Trading, LLC*	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Ordinary	100%
Shell Thailand E&P Inc.*	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Ordinary	100%

* indicates indirect investments of the Company.

BG Energy Holdings Limited

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

21 List of Investments (continued)

Details of the joint venture as at 31 December 2020 are as follows:

Name of joint-venture	Registered office and Country of incorporation	Class of shares	% of ownership
Dragon LNG Group Limited	Main Road, Waterston, Milford Haven, Pembrokeshire, SA73 1DR, United Kingdom (UK)	Ordinary	50%