

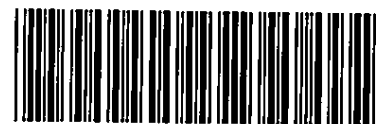
BG Employee Shares Trustees Limited

Annual Report and Financial Statements

For the year ended 31 December 2008

Company Registration Number: 2023808

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BG Employee Shares Trustees Limited

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Directors' report for the year ended 31 December 2008

The Directors present their report and the audited Financial Statements for the year ended 31 December 2008.

Business Review and Principal Activities

BG Employee Shares Trustees Limited (the "Company") was incorporated on 29 May 1986 and is a wholly owned subsidiary of BG Energy Holdings Limited.

The BG Employee Profit Sharing Scheme (the "Scheme") is held in a trust ("Trust") that is governed by the terms of the Trust Deed and Rules dated 27 October 1986 (as amended) ("Trust Rules"). The principal activity of the Company is to act as a trustee of the Trust on behalf of the employees of BG Group plc and its subsidiary undertakings.

No shares have been appropriated to participants under the Scheme since 1999. No further appropriations are expected to be made under the Scheme. All shares appropriated by the Trust have now been transferred to participants in the Scheme.

Results and Dividend

The Company has no income (2007: £nil) and, under the provisions of the Trust Rules, all costs and expenses of the trustees are met by the ultimate parent company. Accordingly, no profit and loss account has been prepared (2007: £nil).

The Directors do not propose to declare a final dividend for the year ended 31 December 2008 (2007: £nil).

Directors

The following served as Directors during the year:

| | Appointed | Resigned |
|---------------|------------------|-----------------|
| P G Duffy | | 19 January 2009 |
| R C Booker | | 15 April 2009 |
| C S Inman | 15 April 2009 | |
| A W McCulloch | 15 April 2009 | |

Company Secretaries

The following served as joint Company Secretaries during the year:

C S Inman
A W McCulloch

Directors' insurance

The ultimate parent undertaking has purchased insurance to cover the Directors against liabilities in relation to the Company.

Derivative financial instruments

The Company did not transact in any derivative financial instruments during the year. Full details of the BG Group policies and procedures surrounding financial instruments and details of such transactions can be found in the BG Group Annual Report and Accounts 2008.

Auditors

The Company has elected to dispense with the annual reappointment of auditors in accordance with Section 386 of the Companies Act 1985 and accordingly PricewaterhouseCoopers LLP remain in office.

Directors' report for the year ended 31 December 2008 continued

Statement as to disclosure of information to auditors

As required by Section 234ZA of the Companies Act 1985, each of the Directors has approved this report and confirmed that, so far as he/she is aware, there is no relevant audit information (being information needed by the Auditors in connection with preparing their audit report) of which the Company's Auditors are unaware, and he/she has taken all the steps that he ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Statement of Directors' responsibilities

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

The Directors are required by the Companies Act 1985 to prepare financial statements, for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period.

The Directors consider that in preparing the Financial Statements on pages 5 to 7 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable accounting standards have been followed and that the Financial Statements have been prepared on the going concern basis. The Company has complied with UK disclosure requirements.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enables them to ensure that the Financial Statements comply with the Companies Act 1985.

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

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

By order of the Board:



C S Inman
Company Secretary

Date: 6/8/09

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT
Registered in England and Wales No. 2023808

Independent Auditors' report to the member of BG Employee Shares Trustees Limited

We have audited the Financial Statements of BG Employee Shares Trustees Limited for the year ended 31 December 2008 which comprise the balance sheet and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's member as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the Financial Statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Independent Auditors' report to the member of BG Employee Shares Trustees Limited continued

Opinion

In our opinion:

- The Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008; and
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the Financial Statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

Date: 7 August 2009

Balance sheet as at 31 December 2008

| | Notes | 2008 £ | 2007 £ |
|---|-------|------------------|------------------|
| Current assets | | | |
| Debtors: amounts falling due within one year | 4 | 2 | 2 |
| Cash at bank and in hand | | <u>362,240</u> | <u>362,240</u> |
| | | 362,242 | 362,242 |
| Creditors: amounts falling due within one year | 5 | (362,240) | (362,240) |
| Net current assets | | <u>2</u> | <u>2</u> |
| Total assets less current liabilities | | 2 | 2 |
| Net assets | | <u>2</u> | <u>2</u> |
| Capital and reserves | | | |
| Called up share capital | 6 | <u>2</u> | <u>2</u> |
| Equity shareholder's funds | 8 | <u>2</u> | <u>2</u> |

The notes on pages 6 to 7 form part of these Financial Statements.

The Financial Statements on pages 5 to 7 were approved and authorised for issue by the Board of Directors and signed on its behalf by:



A W McCulloch
Director

Date: 6/8/09

Notes to the Financial Statements

1 Ultimate parent undertaking

The immediate parent undertaking is BG Energy Holdings Limited.

The ultimate parent undertaking and controlling party is BG Group plc, which is the parent undertaking of the largest group to consolidate these Financial Statements. The smallest group into which the Company is consolidated is that of which BG Energy Holdings Limited is the parent undertaking. BG Energy Holdings Limited and BG Group plc are both registered in England and Wales. Copies of these consolidated accounts may be obtained from the Company Secretary, 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

2 Accounting policies

Basis of preparation and accounting principles

These accounts have been prepared on the going concern basis and in accordance with applicable laws and accounting standards in the United Kingdom, using historical cost principles. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Exemptions

The Company has taken advantage of the exemptions available to wholly owned UK subsidiaries under Financial Reporting Standard (FRS) 1 (Revised 1996) 'Cash Flow Statements', and accordingly has not prepared a cash flow statement; and within FRS 8 'Related Party Disclosures' from disclosure of transactions with other group companies.

3 Profit and loss account

The Company has no income and under the provisions of the Trust Rules, all costs and expenses of the trustees (including the audit fee) are met by the immediate parent company, BG Energy Holdings Limited. Accordingly, no profit and loss account has been prepared.

No Directors received emoluments in respect of their services to the Company during the year ended 31 December 2008 (2007: £nil). The Company had no employees (2007: nil).

The remuneration of the Auditors amounting to £2,200 (2007: £4,200) has been borne by BG Energy Holdings Limited and has not been recharged to the Company.

Notes to the Financial Statements continued**4 Debtors: amounts falling due within one year**

| | 2008 £ | 2007 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | <u>2</u> | <u>2</u> |
| | <u>2</u> | <u>2</u> |

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

5 Creditors: amounts falling due within one year

| | 2008 £ | 2007 £ |
|---|----------------|----------------|
| Unclaimed dividends owed to participants ^(a) | 322,748 | 346,810 |
| Amounts owed to National Grid plc | <u>39,492</u> | <u>15,430</u> |
| | <u>362,240</u> | <u>362,240</u> |

(a) Dividends paid to participants in the Scheme who have not claimed the dividend (principally as a result of the dividend cheques remaining unrepresented).

6 Called up share capital

| | 2008 £ | 2007 £ |
|------------------------------------|------------|------------|
| Authorised: | | |
| 100 ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted and fully paid up: | | |
| 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> |

7 Reserves

The Company had no reserves as at 1 January 2008 and 31 December 2008.

8 Reconciliation of movements in shareholder's funds

| | 2008 £ | 2007 £ |
|---------------------------------|-----------|-----------|
| As at 1 January and 31 December | <u>2</u> | <u>2</u> |