

Registration number: 02842953

BG Intellectual Property Limited

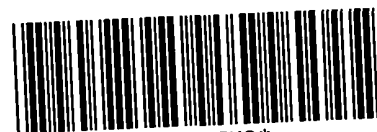
Annual Report

and

Financial Statements

For the year ended 31 December 2017

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BG Intellectual Property Limited

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BG Intellectual Property Limited

Strategic report for the year ended 31 December 2017

The Directors present their strategic report on BG Intellectual Property Limited (also referred to as the "Company") for the year ended 31 December 2017.

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

BG Intellectual Property Limited was incorporated on 6 August 1993 and is a wholly owned subsidiary of BG Energy Holdings Limited.

The Company has not traded during the financial year.

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

The shareholders of the Company approved the transition of the financial statements to a new reporting framework, Financial Reporting Standard 101. This has resulted in the adoption of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure, with disclosure exemptions taken on the basis of equivalent disclosures in Royal Dutch Shell Plc's Annual Report and Form 20-F.

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 12 to 16 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2017 (the "Group Report"), include those of the Company. (The Group Report does not form part of this report).

BG Intellectual Property Limited

Strategic report for the year ended 31 December 2017 (continued)

Key Performance Indicators

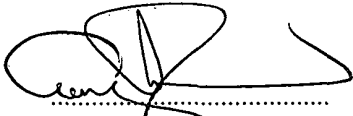
Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Integrated Gas and Oil Sands and the Downstream businesses of Oil Products and Chemicals. The Company's key performance indicators, that give an understanding of the development, performance and position of the business, are aligned with those of the Shell Group. The development, performance and position of the various businesses is discussed on pages 24 to 53 of the Group Report and the key performance indicators through which the Group's performance is measured are as set out on pages 22 to 23 of the Group Report.

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 6 June 2018 and signed on its behalf by:



G. Thomson
Authorised signatory for
Shell Corporate Secretary Limited
Company secretary

BG Intellectual Property Limited

Directors' report for the year ended 31 December 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

The Directors' report and audited accounts of the Company have been prepared in accordance with the Companies Act 2006.

Dividends

No dividends were paid during the year (2016: £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:

M.J. Ashworth

Shell Corporate Director Limited

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 82 to 83 and note 19).

Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Strategic Report, Directors' Report and the Company's accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom 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 FRS 101 has 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.

BG Intellectual Property Limited

Directors' report for the year ended 31 December 2017 (continued)

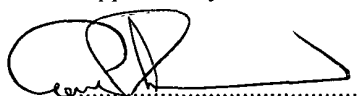
Statement of Directors' responsibilities (continued)

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 6 June 2018 and signed on its behalf by:



G. Thomson
Authorised signatory for
Shell Corporate Secretary Limited
Company secretary

Independent Auditor's Report to the Member of BG Intellectual Property Limited

Opinion

We have audited the financial statements of BG Intellectual Property Limited (the "Company") for the year ended 31 December 2017, which comprise the Profit and loss account, Balance sheet, Statement of changes in equity, and the related notes 1 to 7, 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 state of the Company's affairs as at 31 December 2017 and of its result 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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Member of BG Intellectual Property Limited (continued)

Other matter

The corresponding figures for the year ended 31 December 2016 are unaudited.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 our 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Independent Auditor's Report to the Member of BG Intellectual Property Limited (continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on pages 3 to 4, 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.

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.

Ernst & Young LLP

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Ruth Logan (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

7th June 2018
Date:.....

BG Intellectual Property Limited

Profit and loss account for the year ended 31 December 2017

The Company has not traded during the financial year, has accrued no income (2016: £nil) and incurred no expenditure (2016: £nil). Consequently, during the year, the Company has made neither a profit nor a loss (2016: £nil) and nor was there any comprehensive income (2016: £nil) and, therefore, a separate statement of comprehensive income has not been presented.

BG Intellectual Property Limited

(Registration number: 02842953)
Balance sheet as at 31 December 2017

| | | 2017 | Unaudited 2016 |
|---|------|------------------|-------------------|
| | Note | £ 000 | £ 000 |
| Fixed assets | | | |
| Investments | 4 | - | - |
| Current assets | | | |
| Debtors | 5 | <u>80</u> | <u>267</u> |
| | | 80 | 267 |
| Creditors: Amounts falling due within one year | 6 | <u>-</u> | <u>(187)</u> |
| Net assets | | <u>80</u> | <u>80</u> |
| Equity | | | |
| Called up share capital | 7 | 1,000 | 1,000 |
| Profit and loss account | | <u>(920)</u> | <u>(920)</u> |
| Total equity | | <u>80</u> | <u>80</u> |

The accounts on pages 8 to 16 were authorised for issue by the Board of Directors on 6 June 2018 and signed on its behalf by:



M.J. Ashworth
Director

BG Intellectual Property Limited

Statement of changes in equity for the year ended 31 December 2017

| | Called up Share Capital £ 000 | Profit and loss account £ 000 | Total £ 000 |
|---|--|--|------------------------|
| Balance as at 01 January 2016 | <u>1,000</u> | <u>(920)</u> | <u>80</u> |
| Balance as at 31 December 2016 (unaudited) | <u>1,000</u> | <u>(920)</u> | <u>80</u> |
| Balance as at 01 January 2017 | <u>1,000</u> | <u>(920)</u> | <u>80</u> |
| Balance as at 31 December 2017 | <u>1,000</u> | <u>(920)</u> | <u>80</u> |

BG Intellectual Property Limited

Notes to the financial statements for the year ended 31 December 2017

General information

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

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

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.

As applied to the Company, there are no material differences between EU endorsed IFRS and IFRS as issued by the International Accounting Standards Board.

The presentation of the financial statements has changed from IFRS to Companies Act 2006 to align with the rest of the Shell Group.

In accordance with the transition provision of FRS 102 for dormant companies, the Company had elected to retain its existing UK GAAP accounting policies for reported assets, liabilities and equity at the date of transition to FRS 102 until there is a change to such balances or the Company enters into new transactions. This represents the Company's first application of IFRS and the accounting policies are set out in note 1.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' requires an entity to develop accounting policies based on the standards and related interpretations effective at the reporting date of its first annual IFRS financial statements, being 31 December 2017. IFRS 1 also requires that those policies be applied as of the transition date to IFRS (1 January 2016) and throughout all the periods presented in the first IFRS financial statements.

The financial statements of the Company for 2016 were prepared in accordance with UK Generally Accepted Accounting Principles ("UK GAAP"); accounting policies were set out in note 1 to those financial statements. UK GAAP differs in certain respects to FRS 101 and comparative information for 2016 has been restated as necessary in accordance with FRS 101. There is no effect of transition from UK GAAP to FRS 101 and no reconciliation of Equity and Total Comprehensive Income have been disclosed.

BG Intellectual Property Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

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:
 - (i) paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(d), (statement of cash flows);
 - (ii) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - (iii) 16 (statement of compliance with all IFRS);
 - (iv) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
 - (v) 38B-D (additional comparative information);
 - (vi) 40A-D (requirements for a third balance sheet);
 - (vii) 111 (cash flow statement information); and
 - (viii) 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 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)
- Paragraph 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 Intellectual Property Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Consolidation

The financial statements contain information about BG Intellectual Property 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 Energy Holdings 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 accounts.

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

Royal Dutch Shell plc

Tel: +31 888 800 844

email: order@shell.com

Registered office: Shell Centre, London, SE1 7NA, United Kingdom.

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 Pounds Sterling (£), 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 expressed 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.

BG Intellectual Property Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Financial assets

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and trade and other receivables

Loans and trade and other receivables are initially recognised at fair value based on the amounts exchanged and are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Financial liabilities

The Company classifies its financial liabilities at amortised cost. The classification depends on the nature of the underlying liabilities, with management determining the classification of financial liabilities at initial recognition.

Loans and trade and other creditors

Loans and trade and other creditors are initially recognised at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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 a fixed asset increases because of a change in economic conditions or in the expected use of the asset, the resulting reversal of the impairment loss is recognised in the current year to the extent that it increases the carrying amount of the fixed asset up to the amount it would have been had the original impairment not occurred.

2 Operating result

The Company had no employees during 2017 (2016: none).

None of the Directors received any emoluments (2016: none) in respect of their services to the Company.

BG Intellectual Property Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

3 Auditors' remuneration

The Auditors' remuneration of £8,491 in respect of the statutory audit was borne by the immediate parent company for the current year.

No non audit fees were paid to the Company's auditor.

4 Investments

| | Subsidiary undertakings Shares £ | Total £ |
|-----------------------------|---|------------|
| Cost | | |
| Balance at 1 January 2017 | 3 | 3 |
| Balance at 31 December 2017 | 3 | 3 |
| Carrying amount | | |
| At 31 December 2017 | 3 | 3 |
| At 31 December 2016 | 3 | 3 |

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

Details of the subsidiaries as at 31 December 2017 are as follows:

| Name of subsidiary | Registered office and County of incorporation | Class of shares | % of ownership |
|---|--|-----------------|-------------------|
| BG Exploration and Production Limited | Shell Centre, London SE17NA, United Kingdom England and Wales | Ordinary | 100% |
| Maritime Association for Mitigation and Safety Limited | Risk Shell Centre, London SE17NA, United Kingdom England and Wales | Ordinary | 100% |

BG Intellectual Property Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

5 Debtors

Debtors: amounts due within one year

| | 2017 | 2016 |
|-------------------------------------|------------------|-------------------|
| | £ 000 | £ 000 |
| Amounts owed by Group undertakings: | | |
| Parent undertakings | <u>80</u> | <u>267</u> |
| | <u>80</u> | <u>267</u> |

Amounts owed by Group undertakings are payable upon demand and bear no interest.

6 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|-------------------------------------|-----------------|-------------------|
| | £ 000 | £ 000 |
| Amounts owed to Group undertakings: | | |
| Fellow subsidiary undertakings | <u>-</u> | <u>187</u> |
| | <u>-</u> | <u>187</u> |

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7 Called up share capital

Allotted, called up and fully paid shares

| | No. | 2017 | No. | 2016 |
|---------------------------------|------------------|--------------|------------------|--------------|
| | | £ 000 | | £ 000 |
| Issued share capital of £1 each | <u>1,000,002</u> | <u>1,000</u> | <u>1,000,002</u> | <u>1,000</u> |