

BG Netherlands Financing Unlimited

Annual Report and Financial Statements

For the period from 21 October 2014 to 31 December 2015



Company Registration Number: 9273955

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Directors' report for the period from 21 October 2014 to 31 December 2015

The Directors present their report and the audited Financial Statements for BG Netherlands Financing Unlimited (the "Company") for the period from 21 October 2014 to 31 December 2015. The Company has taken advantage of the small companies' exemptions available under Sections 415A and 414B of the Companies Act 2006 and has not prepared a strategic report nor given certain disclosures in the Directors' report from which it is exempt.

The Company is an unlimited company incorporated on 21 October 2014 and is a wholly owned subsidiary of BG Gas Brazil Holdings BV. The Company acts as a financing company.

There have not been any changes in the Company's activities in the period under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Results

The profit for the period ended 31 December 2015 of £2,253,000 has been transferred to reserves.

Post balance sheet events

Shell combination

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

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

Directors

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

J P Kiddle (appointed 21 October 2014)

J E Smith (appointed 21 October 2014)

S R Unger (appointed 21 October 2014)

Company Secretaries

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

C S Barry (appointed 12 December 2014)

R L Dunn (appointed 21 October 2014)

C L Ennett (appointed 1 October 2015)

Directors' report for the period from 21 October 2014 to 31 December 2015

continued

Auditors

Pursuant to Section 485 of the Companies Act 2006, Ernst & Young LLP were appointed auditors of the Company for the period ended 31 December 2015 by an ordinary resolution of the shareholder.

Statement as to disclosure of information to auditors

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

Statement of Directors' responsibilities

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

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

The Directors consider that in preparing the Financial Statements on pages 6 to 12 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable accounting standards have been followed and that the Financial Statements have been prepared on the going concern basis. The Company has complied with UK disclosure requirements.

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

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

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

The Directors' report has been prepared in accordance with the provisions applicable to small companies.

Directors' report for the period from 21 October 2014 to 31 December 2015
continued

By order of the Board:



C S Barry
Company Secretary

Date: 19/5/16

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

Registered in England and Wales No. 9273955

Independent auditor's report to the member of BG Netherlands Financing Unlimited

We have audited the Financial Statements of BG Netherlands Financing Unlimited for the period from 21 October 2014 to 31 December 2015 which comprise the Income statement, the Balance sheet and the Statement of changes in equity and the related notes, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' responsibilities (set out on page 2), the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for auditors.

Scope of the audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the Financial Statements:

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

Opinion on other matter prescribed by the Companies Act 2006

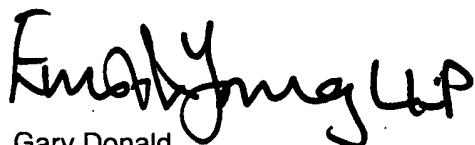
In our opinion the information given in the Directors' report for the financial period for which the Financial Statements are prepared is consistent with the Financial Statements.

Independent auditor's report to the member of BG Netherlands Financing Unlimited continued

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic report and take advantage of the small companies' exemption in preparing the Directors' report.



Gary Donald
(Senior Statutory Auditor)
For and on behalf of Ernst and Young LLP, Statutory Auditor
London

Date: 23/5/16

Income statement for the period from 21 October 2014 to 31 December 2015

	Notes	21 October 2014 to 31 December 2015 £000
Finance income	4	<u>2,829</u>
Profit before taxation		2,829
Taxation	5	<u>(576)</u>
Profit for the period		<u>2,253</u>

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

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

The notes on pages 9 to 12 form part of these Financial Statements.

Balance sheet as at 31 December

	Notes	2015 £000
Current assets		
Trade and other receivables	6	448,576
Current liabilities		
Trade and other payables	7	<u>(576)</u>
Net current assets		<u>448,000</u>
Total assets less current liabilities		<u>448,000</u>
Net assets		<u>448,000</u>
Capital and reserves		
Called up share capital	8	445,747
Retained earnings		<u>2,253</u>
Equity shareholder's funds		<u>448,000</u>

The Financial Statements on pages 6 to 12 were approved by the Board of Directors and were signed on its behalf by:



J E Smith

Director

Date: 19/5/16

Statement of changes in equity

	Notes	Called up share capital £000	Retained earnings £000	Total £000
Profit for the period		-	2,253	2,253
Total comprehensive income for the period		-	2,253	2,253
Issue of shares	8	445,747	-	445,747
At 31 December 2015		445,747	2,253	448,000

Notes to the Financial Statements

1 Ultimate parent undertaking

The immediate parent undertaking is BG Gas Brazil Holdings BV. During the year, and up to the effective date of the Combination (see note 9), the ultimate parent undertaking and controlling party was BG Group plc.

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

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

2 Accounting policies

Basis of preparation and accounting principles

These accounts have been prepared on the going concern basis and in accordance with applicable law in the United Kingdom and Financial Reporting Standard 101, 'Reduced disclosure framework', and applicable accounting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Summary of disclosure exemptions

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

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

Financial instruments

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

Notes to the Financial Statements continued

2 Accounting policies continued

Interest income

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

Current and deferred income tax

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

Foreign currencies

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

Judgements and estimates

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

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

3 Profit before taxation

The auditor's remuneration of £3,367 has been borne by BG Energy Holdings Limited and has not been recharged to the Company. Any fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated accounts of the Company's ultimate parent (see note 1), are required to disclose non-audit fees on a consolidated basis.

No Directors received remuneration in respect of their services to the Company during the period ended 31 December 2015.

The Company had no employees during the period.

Notes to the Financial Statements continued**4 Finance income**

**21 October
2014 to 31
December
2015
£000**

Interest receivable

2,829

5 Taxation

The charge for taxation comprises:

**21 October
2014 to 31
December
2015
£000**

Current tax

Group relief

576

Total tax charge

576

The total tax charge reconciles with that calculated using the statutory UK corporate tax rate of 20.37%:

**21 October
2014 to 31
December
2015
£000**

Profit before tax

2,829

Tax on profit before taxation at UK statutory corporation tax rate

576

Total tax charge

576

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

6 Trade and other receivables

**2015
£000**

Current

Amounts owed by group undertakings

448,576

Amounts owed by group undertakings are unsecured, bear interest at LIBOR minus 0.10% and are repayable on demand.

Notes to the Financial Statements continued

7 Trade and other payables

2015
£ 000

Current

Amounts owed to group undertakings in respect of taxation

576

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

8 Called up share capital

Allotted and fully paid:

No. 000 2015
£ 000

Ordinary shares of £1 each

445,747 445,747

During the period 445,746,882 ordinary shares of £1 each were issued at par. This equated to total consideration of £445,746,882.

9 Post balance sheet events

Shell combination

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

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