

**Alie Investments Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2011**



**Company Registration Number: 3478502**

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## Directors' report for the year ended 31 December 2011

The Directors present their report and the audited Financial Statements for the year ended 31 December 2011. The company has taken advantage of the small companies exemption available under section 415A of the Companies Act 2006 and has not prepared a business review.

### Principal Activities

Alie Investments Limited (the "Company") was incorporated on 4 December 1997 and is a wholly owned subsidiary of BG International Limited. The principal activities of the Company is to act as a financing company for the ultimate parent undertaking, BG Group plc and to undertake transport activities. It is expected that these will remain the principal activities of the Company for the foreseeable future.

### Results and Dividend

The retained profit for the year ended 31 December 2011 of £3,911,000 (2010 £4,421,000) has been transferred to reserves. The Directors declared and paid an interim dividend of £4,500,000 in respect of the year ended 31 December 2011 (2010 £4,000,000). No final dividend has been proposed (2010 £nil).

### Directors

The following served as Directors during the year and up to the date of this report:

	Appointed	Resigned
J P O'Driscoll		19 December 2011
J C W Stewart		28 August 2012
S Unger	17 September 2012	
P Zinner	9 February 2012	

### Company Secretaries

The following served as joint Company Secretaries during the year and up to the date of this report:

	Appointed	Resigned
R L Dunn		
C S Inman		
A W McCulloch		27 April 2012

### Directors' insurance

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

### Auditors

The auditors are deemed to be re-appointed under Section 487 of the Companies Act 2006 and accordingly PricewaterhouseCoopers LLP (the "Auditors") remain in office.

### 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.

## **Directors' report for the year ended 31 December 2011 continued**

### **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). 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 year.

The Directors consider that in preparing the Financial Statements on pages 5 to 11 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments 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 companies subject to the small companies' regime.

By Order of the Board



**R L Dunn**  
Company Secretary

Date 17/9/12  
Registered Office  
100 Thames Valley Park Drive  
Reading  
Berkshire  
RG6 1PT

Registered in England & Wales No 3478502

## **Independent Auditors' report to the member of Alie Investments Limited**

We have audited the Financial Statements of Alie Investments Limited for the year ended 31 December 2011 which comprise the Profit and loss account, the Balance sheet, and the related notes. 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).

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Statement of Directors' responsibilities as 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's member as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### **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 to identify material inconsistencies with the audited financial statements. 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 2011 and of its profit 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

### **Opinion on other matter prescribed by the Companies Act 2006**

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

**Independent Auditors' report to the member of Alie Investments Limited**  
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 preparing the Directors' report



Bruce Collins  
(Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date 26/07/12

**Profit and loss account for the year ended 31 December**

	<b>Notes</b>	<b>2011 £000</b>	<b>2010 £000</b>
Turnover	3	<b>8,434</b>	6,058
Operating costs		<b>(7,125)</b>	(4,748)
Depreciation		<b>(439)</b>	(629)
<b>Operating profit</b>	4	<b>870</b>	681
Net interest receivable and similar income	5	<b>4,132</b>	3,783
<b>Profit on ordinary activities before taxation</b>		<b>5,002</b>	4,464
Tax on profit on ordinary activities	6	<b>(1,091)</b>	(43)
<b>Profit for the financial year</b>	13, 14	<b>3,911</b>	4,421

The results for the year are derived solely from continuing operations

There were no recognised gains and losses other than in the profit and loss account and, therefore, a separate statement of total recognised gains and losses has not been presented

There is no difference between historical cost profits and losses and the results presented

The notes on pages 7 to 11 form part of these Financial Statements

## Balance sheet as at 31 December

	Notes	2011 £000	2010 £000
<b>Fixed assets</b>			
Tangible assets	8	21,553	21,864
<b>Current assets</b>			
Debtors amounts falling due within one year	9	463,089	464,630
Cash at bank and in hand		14	1
<b>Creditors: amounts falling due within one year</b>	10	(73,079)	(74,401)
<b>Net current assets</b>		<u>390,024</u>	<u>390,230</u>
<b>Total assets less current liabilities</b>		<b>411,577</b>	<b>412,094</b>
<b>Provisions for liabilities and charges</b>	11	(1,976)	(1,904)
<b>Net assets</b>		<u><b>409,601</b></u>	<u><b>410,190</b></u>
<b>Capital and reserves</b>			
Called up share capital	12	397,882	397,882
Profit and loss account	13	11,719	12,308
<b>Equity shareholder's funds</b>	14	<u><b>409,601</b></u>	<u><b>410,190</b></u>

The notes on pages 7 to 11 form part of these Financial Statements

The Financial Statements on pages 5 to 11 were approved for issue by the Board of Directors and were signed on its behalf by



**P Zinner**  
Director

Date 17/09/2012



## Notes to the Financial Statements

### 1 Ultimate parent undertaking

The immediate parent undertaking is BG International 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 law 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.

#### Financial instruments

All loans are stated at the fair value of the consideration paid/received less any repayments and if necessary, provisions for impairment. Interest on the loans is receivable upon demand and is stated as an amount due within one year.

#### Revenue recognition

Revenue from transportation activities is recognised in the same period in which the service is provided.

#### Tangible fixed assets

All tangible fixed assets are carried at depreciated historical cost. Additions represent extensions to, or significant increases in, the capacity of tangible fixed assets. Finance costs associated with borrowings used to finance major capital projects are capitalised up to the point of commissioning.

#### Depreciation

Tangible fixed assets are depreciated on a straight-line basis at rates sufficient to write off the historical cost of individual assets less the estimated residual value over their estimated useful lives. The depreciation rates for the principal categories of assets are:

Plant and Machinery    15 years

#### Impairment of fixed assets

Any impairment of fixed assets is calculated as the difference between the carrying values of cash generating units and their recoverable amount, being the higher of the estimated value in use or fair value less costs to sell (net realisable value) at the date the impairment loss is recognised. Value in use represents the net present value of expected future cash flows discounted on a pre-tax basis.

## Notes to the Financial Statements continued

### 2 Accounting policies continued

#### Foreign currencies

Transactions in foreign currencies are translated into Pounds Sterling at average rates of exchange. 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 Profit and loss account in the period in which they arise.

#### Deferred taxation

Provision is made in full, on an undiscounted basis, for the deferred tax arising on the difference between the accounting treatment and tax treatment for depreciation in respect of accelerated capital allowances and other timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

### 3 Turnover

Turnover, which excludes value added tax, represents amounts recharged to a fellow group company under a sales agreement for transport activities which, for the purposes of the Companies Act 2006, constitutes one class of business.

### 4 Operating profit

The operating loss is stated after charging	<b>2011</b>	2010
	<b>£000</b>	£000
Depreciation of tangible owned fixed assets	<b>439</b>	629

No Directors received emoluments in respect of their services to the Company during the year ended 31 December 2011 (2010: £nil). The Company had no employees (2010: nil).

The remuneration of the Auditors, amounting to £2,400 (2010: £2,350), has been borne by BG Energy Holdings Limited and has not been recharged to the Company.

### 5 Net interest receivable and similar income

	<b>2011</b>	2010
	<b>£000</b>	£000
Interest receivable from group undertakings	<b>4,132</b>	3,783

**Notes to the Financial Statements continued****6 Tax on profit on ordinary activities**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
The charge for taxation comprises		
Group relief at 26.4932% (2010: 28%)	<b>929</b>	724
UK under/(over) provision in respect of prior periods	<b>90</b>	(1,639)
<b>Total current tax charge/(credit)</b>	<b><u>1,019</u></b>	<b><u>(915)</u></b>
<b>Deferred Tax:</b>		
Deferred corporation tax at 26.4932% (2010: 28%)	<b>389</b>	526
Effect of rate change	<b>(143)</b>	(71)
UK (over)/under provision in respect of prior periods	<b>(174)</b>	503
<b>Total deferred tax charge</b>	<b><u>72</u></b>	<b><u>958</u></b>
<b>Total tax charge for the year</b>	<b><u>1,091</u></b>	<b><u>43</u></b>

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
<b>Factors affecting the tax charge for the year:</b>		
Profit on ordinary activities before taxation	<b>5,002</b>	4,464
Tax on ordinary activities at 26.4932% (2010: 28%)	<b>1,325</b>	1,250
UK tax under/(over) provision in respect of prior periods	<b>90</b>	(1,639)
Capital allowances in excess of depreciation	<b>(396)</b>	(526)
<b>Current tax charge/(credit) for the year</b>	<b><u>1,019</u></b>	<b><u>(915)</u></b>

Effective 1 April 2011, the applicable rate of UK corporation tax is reduced to 26%, with a further reduction in the UK corporation tax rate to 24% effective from 1 April 2012.

**7 Dividends**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Equity dividends paid - interim	<b><u>4,500</u></b>	<b><u>4,000</u></b>

An interim dividend of 1.13 pence (2010: 1.01 pence) per share was paid during the year. The Directors have not declared a final dividend in respect of the year ended 31 December 2011 (2010: £nil).

## Notes to the Financial Statements continued

## 8 Tangible assets

	<b>Plant and machinery</b>
<b>Cost</b>	<b>£000</b>
At 1 January 2011	22,589
Additions	128
<b>At 31 December 2011</b>	<b><u>22,717</u></b>
<b>Accumulated depreciation</b>	
At 1 January 2011	725
Charge for the year	439
<b>At 31 December 2011</b>	<b><u>1,164</u></b>
<b>Net book value</b>	
<b>At 31 December 2011</b>	<b><u>21,553</u></b>
At 31 December 2010	<u>21,864</u>

## 9 Debtors: amounts falling due within one year

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	<b>462,128</b>	463,979
Prepayments and accrued income	<b>961</b>	651
	<b><u>463,089</u></b>	<u>464,630</u>

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and interest is receivable at a rate of LIBOR plus 25 basis points. Accrued interest is periodically capitalised to the intercompany loan balance.

## 10 Creditors: amounts falling due within one year

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Trade Creditors	<b>129</b>	229
Amounts owed to group undertakings	<b>70,965</b>	71,601
Amounts owed to group undertakings in respect of taxation	<b>1,707</b>	2,171
Accruals and deferred income	<b>278</b>	400
	<b><u>73,079</u></b>	<u>74,401</u>

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

**Notes to the Financial Statements continued****11 Provisions for liabilities and charges**

	<b>Deferred Taxation £000</b>
At 1 January 2011	1,904
Deferred tax charge	72
As at 31 December 2011	<u><b>1,976</b></u>

**The deferred taxation provision comprises:**

	<b>2011 £000</b>	<b>2010 £000</b>
Accelerated capital allowances	<u><b>1,976</b></u>	<u><b>1,904</b></u>

**12 Called up share capital**

	<b>2011 £000</b>	<b>2010 £000</b>
<b>Authorised</b>		
405,000,000 ordinary shares of £1	<u><b>405,000</b></u>	<u><b>405,000</b></u>
<b>Allotted and fully paid up</b>		
397,881,800 ordinary shares of £1 each	<u><b>397,882</b></u>	<u><b>397,882</b></u>

**13 Profit and loss account**

	<b>£000</b>
As at 1 January 2011	12,308
Transfer from profit and loss account	3,911
Dividends paid	(4,500)
As at 31 December 2011	<u><b>11,719</b></u>

**14 Reconciliation of movements in shareholder's funds**

	<b>2011 £000</b>	<b>2010 £000</b>
As at 1 January	<b>410,190</b>	409,769
Transfer from profit and loss account	<b>3,911</b>	4,421
Dividends paid	<b>(4,500)</b>	(4,000)
As at 31 December	<u><b>409,601</b></u>	<u><b>410,190</b></u>