

Registered in England and Wales 00234106

**THE CONSOLIDATED PETROLEUM COMPANY LIMITED**

**DIRECTORS' REPORT**

**AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

**CONTENTS**

|  |   |
|--|---|
| DIRECTORS' REPORT                      | 1 |
| INDEPENDENT AUDITORS' REPORT           | 4 |
| PARENT COMPANY PROFIT AND LOSS ACCOUNT | 5 |
| CONSOLIDATED BALANCE SHEET             | 6 |
| COMPANY BALANCE SHEET                  | 7 |
| NOTES TO THE ACCOUNTS                  | 8 |

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## **THE CONSOLIDATED PETROLEUM COMPANY LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report and audited accounts for the year ended 31 December 2012

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

The Consolidated Petroleum Company Limited (referred to as the "Parent Company") and its subsidiaries (referred to as the "Group") are entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies in which Royal Dutch Shell plc, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. 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.

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The Group result for the financial year was £Nil (2011 £Nil) and the Parent Company's profit for the financial year was £2,311,000 (2011 loss £1,500,000). The Group and Parent Company had net assets as at 31 December 2012 of £9,848,000 (2011 Group Company £9,848,000 and Parent Company £7,537,000). A Group profit and loss account has not been prepared as there have been no movements on the Group profit and loss for the period until 31 December 2012 and 31 December 2011.

#### **Dividends**

The Directors recommend that no dividend be paid for the year ended 31 December 2012 (2011 £Nil).

#### **Future outlook**

No significant change in the business of the Parent Company or of its subsidiary undertakings is expected in the immediately foreseeable future.

#### **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 plc ("Royal Dutch Shell") has directly or indirectly a controlling interest. From the perspective of the Group, the principal risks and uncertainties 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 13 to 15 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2012 (the "Shell Group Report"), include those of the Company and its subsidiaries. (The Shell Group Report does not form part of this report).



**THE CONSOLIDATED PETROLEUM COMPANY LIMITED**

**DIRECTORS' REPORT (continued)**

**DISCLOSURE OF INFORMATION TO AUDITORS**

All Directors in office at the date of approval of the Directors' report confirm that so far as each of the Directors is aware, there is no relevant audit information (meaning information needed by the auditors in connection with preparing their report) that has not been disclosed to the auditors. Each of the Directors believes that he or she has taken all steps that ought to have been taken to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the Board

A handwritten signature in black ink, appearing to be 'G Thomson', with a long horizontal stroke extending to the right.

G Thomson  
Authorised signatory for  
Shell Corporate Secretary Limited  
Company Secretary

30 September, 2013

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONSOLIDATED PETROLEUM COMPANY LIMITED**

We have audited the group and parent company accounts of The Consolidated Petroleum Company Ltd for the year ended 31 December 2012 which comprise the Parent Company Profit and Loss Account, the Group and Parent Company Balance Sheets, the Accounting Policies 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 set out on page 2 the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 members 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and parent 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 accounts. In addition, we read all the financial and non-financial information in the directors' report and accounts to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the parent company's 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 accounts are prepared is consistent with the accounts.

### **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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company accounts 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.



Lorraine Quinn (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow

30<sup>th</sup> September 2013

**THE CONSOLIDATED PETROLEUM COMPANY LIMITED****PARENT COMPANY PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2012****Continuing operations**

|   | <b>Note</b> | <b>2012<br/>£'000</b> | <b>2011<br/>£'000</b> |
|---|-------------|-----------------------|-----------------------|
| Release of/(increase in) provision for doubtful debts           | 2           | 2,311                 | (967)                 |
| Loss on sale of fixed asset investments                         |             | -                     | (533)                 |
| <b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |             | 2,311                 | (1,500)               |
| Tax on profit/(loss) on ordinary activities                     | 4           | -                     | -                     |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>                     |             | <u>2,311</u>          | <u>(1,500)</u>        |

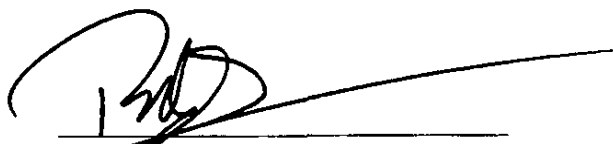
There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above and their historical cost equivalents

There were no recognised gains and losses other than the profit for the current year and loss for the prior year and accordingly a statement of total recognised gains and losses has not been presented

**THE CONSOLIDATED PETROLEUM COMPANY LIMITED**  
**REGISTERED IN ENGLAND AND WALES: 00234106**  
**CONSOLIDATED BALANCE SHEET**  
**As at 31 December 2012**

|                                  | Note | 2012<br>£' 000 | 2011<br>£' 000 |
|----------------------------------|------|----------------|----------------|
| <b>CURRENT ASSETS</b>            |      |                |                |
| Debtors                          | 6    | 9,848          | 9,848          |
| <b>NET CURRENT ASSETS</b>        |      | 9,848          | 9,848          |
| <b>NET ASSETS</b>                |      | 9,848          | 9,848          |
| <b>CAPITAL AND RESERVES</b>      |      |                |                |
| Called up share capital          | 7    | 3,500          | 3,500          |
| Profit and loss account          | 8    | 6,348          | 6,348          |
| <b>TOTAL SHAREHOLDERS' FUNDS</b> | 8    | 9,848          | 9,848          |

The accounts on pages 5 to 12 were approved by the Board of Directors on 30 September, 2013 and were signed on its behalf by

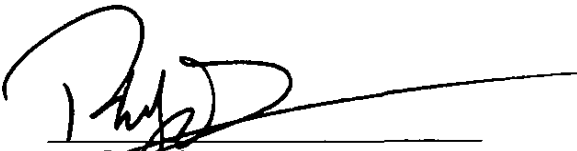


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P T E Sanderson  
Director

**THE CONSOLIDATED PETROLEUM COMPANY LIMITED****COMPANY BALANCE SHEET****As at 31 December 2012**

|                                  | <b>Note</b> | <b>2012<br/>£' 000</b> | <b>2011<br/>£' 000</b> |
|----------------------------------|-------------|------------------------|------------------------|
| <b>FIXED ASSETS</b>              |             |                        |                        |
| Investments                      | 5           | -                      | -                      |
| <b>CURRENT ASSETS</b>            |             |                        |                        |
| Debtors                          | 6           | 9,848                  | 7,537                  |
| <b>NET CURRENT ASSETS</b>        |             | 9,848                  | 7,537                  |
| <b>NET ASSETS</b>                |             | 9,848                  | 7,537                  |
| <b>CAPITAL AND RESERVES</b>      |             |                        |                        |
| Called up share capital          | 7           | 3,500                  | 3,500                  |
| Profit and loss account          | 8           | 6,348                  | 4,037                  |
| <b>TOTAL SHAREHOLDERS' FUNDS</b> | 8           | 9,848                  | 7,537                  |

Approved by the Board of Directors on 30 September, 2013 and were signed on its behalf by



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P.T.F. Sanderson  
Director



# **THE CONSOLIDATED PETROLEUM COMPANY LIMITED**

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2012**

### **1 Accounting policies**

#### **a) Accounting convention and compliance with Accounting Standards**

The accounts have been prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 2006, applicable Accounting Standards in the UK (UK GAAP), and the accounting policies as described below

The accounting policies have been consistently applied There have been no changes in accounting policies in 2012

#### **b) Group accounts**

The Group is owned equally by The Anglo-Saxon Petroleum Company Limited and BP International Limited, both registered in England and Wales

The consolidated accounts comprise the accounts of the Parent Company and its subsidiary undertakings Subsidiaries are all entities over which The Consolidated Petroleum Company Limited has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether they control another entity Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company They are de-consolidated from the date that control ceases

Intercompany transactions, balances and unrealised gains on transactions between subsidiaries and The Consolidated Petroleum Company Limited are eliminated Unrealised losses are also eliminated Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by The Consolidated Petroleum Company Limited

A list of the subsidiaries has been included in note 5

#### **c) Fixed asset investments**

These comprise investments in shares that the Parent Company intends to hold on a continuing basis The investments are stated at cost, less provisions for impairment The parent 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 Financial Reporting Standard ("FRS") 11 Any impairments are recorded in the profit and loss account

#### **d) Related party disclosures**

All related party balances have been disclosed

#### **e) Cash flow statement**

Although the Parent Company is required to disclose a cashflow during the period of 2011 - 2012 there were no movements in cash therefore there is no disclosure within these accounts

**THE CONSOLIDATED PETROLEUM COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)****For the year ended 31 December 2012****2 Profit/(loss) on ordinary activities before taxation**

Profit/(loss) on ordinary activities before taxation of Parent Company is stated after charging/(crediting) the following

|   | 2012<br>£'000 | 2011<br>£'000 |
|---|---------------|---------------|
| (Release of)/increase in provision for doubtful debts | (2,311)       | 967           |

None of the Directors received any emoluments (2011 £Nil) in respect of their services to the Parent Company

The Group and Parent Company had no employees during 2012 (2011 None)

During the year the Group has not traded, received no income and incurred no expenditure and made neither a profit nor loss

**3 Auditors' remuneration**

Audit fees of £7,550 (2011 £7,400) were paid by a fellow Shell Group entity on behalf of the Group and Parent Company in respect of audit work performed in the UK

No fees were paid to the auditors in respect of any non-audit services in the current year (2011 Nil)

**4 Tax on profit/(loss) on ordinary activities**

There is no tax charge for the current year (2011 £Nil)

The tax assessed for the year differs from the standard effective rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

|   | 2012<br>£'000 | 2011<br>£'000 |
|---|---------------|---------------|
| (Profit)/loss on ordinary activities before taxation  | (2,311)       | 1,500         |
| Tax on (profit)/loss on ordinary activities at standard UK corporation tax rate of 24.5% (2011 26.5%) | 566           | (397)         |
| Effects of  |               |               |
| (Income)/expenses not deductible  | (566)         | 397           |
| Current tax charge for the year   | -             | -             |

**Factors affecting current and future tax charges**

Changes to the UK corporation tax rate were announced in the March 2012 Budget, including a reduction to the UK main corporation tax rate from 26% to 24% which became effective on 1 April 2012 and was substantively enacted on 26 March 2012. A further reduction to 23% is effective from 1 April 2013 and substantively enacted on 3 July 2012.

The March 2013 Budget announced further changes which are expected to be enacted separately each year and propose to reduce the UK corporation tax rate to 21% effective from 1 April 2014 with the reduction to 20% by 1 April 2015 which were substantively enacted on 2 July 2013.

The relevant deferred tax balances have been re-measured to 23.0%, the rate enacted by the balance sheet date.

**THE CONSOLIDATED PETROLEUM COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)****For the year ended 31 December 2012****5 Fixed assets – Investments**

|  | <b>Subsidiary<br/>undertaking<br/>shares<br/>£' 000</b> |
|--|---|
| <b>Cost</b>                                    |   |
| Balance at 1 January 2012 and 31 December 2012 | -   |
| <b>Amounts provided</b>                        |   |
| Balance at 1 January 2012 and 31 December 2012 | -   |
| <b>Net book amount</b>                         |   |
| At 31 December 2012                            | -   |
| At 31 December 2011                            | -   |

The following subsidiary undertakings were engaged in oil marketing but have ceased trading

|  | <b>Country of<br/>incorporation</b> | <b>Class of<br/>shares</b> | <b>% of shares<br/>held directly</b> |
|--|-------------------------------------|----------------------------|--------------------------------------|
| The Consolidated Petroleum Supply<br>Company Limited | England & Wales                     | Ordinary                   | 100%                                 |
| Shell and BP Services Limited                        | England & Wales                     | Ordinary                   | 100%                                 |

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

**6 Debtors**

|                                     | <b>2012<br/>Within<br/>1 Year<br/>£' 000</b> | <b>2011<br/>Within<br/>1 Year<br/>£' 000</b> |
|-------------------------------------|--|--|
| <b>Group</b>                        |  |  |
| Amounts owed by related parties     |  |  |
| Joint parent undertakings           |  |  |
| The Shell Petroleum Company Limited | 7,583  | 7,583  |
| BP International Limited            | 2,265  | 2,265  |
|                                     | <u>9,848</u>                                 | <u>9,848</u>                                 |

Balances with related parties are held in current account, are repayable on demand and attract no interest

**THE CONSOLIDATED PETROLEUM COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)****For the year ended 31 December 2012****6 Debtors (continued)**

|   | <b>2012</b>   | <b>2011</b>   |
|---|---------------|---------------|
|   | <b>Within</b> | <b>Within</b> |
|   | <b>1 Year</b> | <b>1 Year</b> |
|   | <b>£' 000</b> | <b>£' 000</b> |
| <b>Parent Company</b>                             |               |               |
| Amounts owed by related parties                   |               |               |
| Joint parent undertaking                          |               |               |
| The Shell Petroleum Company Limited               | 2,750         | 2,750         |
| Amounts owed by Subsidiary undertaking            |               |               |
| The Consolidated Petroleum Supply Company Limited | 7,098         | 4,787         |
|   | <u>9,848</u>  | <u>7,537</u>  |

The amount due from subsidiary undertakings is shown net of a provision of £5,264,209 (2011 £7,575,086). Balances with related parties are held in current account, are repayable on demand and attract no interest.

**7 Called up share capital**

|  | <b>2012</b>   | <b>2011</b>   |
|--|---------------|---------------|
|  | <b>£' 000</b> | <b>£' 000</b> |
| <b>Authorised</b>                                      |               |               |
| 175,000 (2011 175,000) 'A' ordinary shares of £10 each | 1,750         | 1,750         |
| 175,000 (2011 175,000) 'B' ordinary shares of £10 each | 1,750         | 1,750         |
|  | <u>3,500</u>  | <u>3,500</u>  |
| <b>Allotted and fully paid</b>                         |               |               |
| 175,000 (2011 175,000) 'A' ordinary shares of £10 each | 1,750         | 1,750         |
| 175,000 (2011 175,000) 'B' ordinary shares of £10 each | 1,750         | 1,750         |
|  | <u>3,500</u>  | <u>3,500</u>  |

**THE CONSOLIDATED PETROLEUM COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)****For the year ended 31 December 2012****8 Reconciliation of movements in reserves and shareholders' funds**

| <b>Group</b>  | <b>Profit and<br/>loss account<br/>£' 000</b> | <b>Share<br/>capital<br/>£' 000</b> | <b>Shareholders'<br/>funds<br/>£' 000</b> |
|---|---|-------------------------------------|---|
| At 1 January 2011, At 1 January 2012 and<br>At 31 December 2012 | 6,348   | 3,500                               | 9,848                                     |
| <b>Company</b>  |   |                                     |   |
| At 1 January 2011   | 5,537   | 3,500                               | 9,037                                     |
| Loss for the year   | (1,500)                                       | -                                   | (1,500)                                   |
| At 1 January 2012   | 4,037   | 3,500                               | 7,537                                     |
| Profit for the year   | 2,311   | -                                   | 2,311                                     |
| At 31 December 2012   | 6,348   | 3,500                               | 9,848                                     |