

Registration number: 00260320

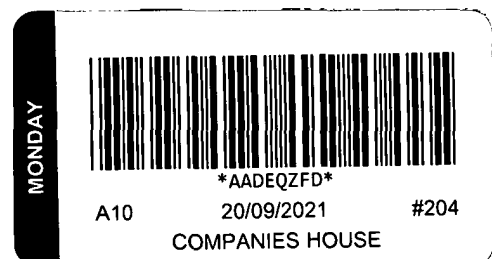
# Shell-Mex and B.P. Limited

Annual Report

and

Financial Statements

For the year ended 31 December 2020



## Shell-Mex and B.P. Limited

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## **Shell-Mex and B.P. Limited**

### **Strategic report for the year ended 31 December 2020**

The Directors present their strategic report on Shell-Mex and B.P. Limited (also referred to as the "Company") for the year ended 31 December 2020.

The Company is jointly controlled by the Shell Group and BP Oil UK Limited. Consequently, neither party is regarded as the controlling party. The Shell Group holds 60% of the issued share capital and is the operator of the Company and BP Oil UK Limited holds 40% of the issued share capital of the Company. 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.

#### **Business review**

The Company had no operations during the year.

The Company's profit for the financial year was £ 11,033 (2019 : Loss of £912). This was due to tax adjustment relating to the prior year. The Company has not carried out any business activity during the year.

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

As a result of the COVID-19 pandemic, there continues to be significant uncertainty in the macroeconomic conditions with an expected negative impact on demand for oil, gas and related products.

#### **Brexit Impact**

On 23 June 2016, the UK held a referendum on the UK's continuing membership of the EU, the outcome of which was a decision for the UK to leave the EU (Brexit). On 26 December 2020, the EU-UK Trade and Cooperation agreement was agreed and provisionally applied. An impact assessment at country level was performed based on a no deal Brexit, which included the activities of the Company. The Board currently sees a limited impact from the EU-UK Trade and Cooperation agreement on its existing business based on the assessment undertaken.

#### **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 joint control. 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 28 to 37 of Royal Dutch Shell's Annual Report for the year ended 31 December 2020 (the "Group Report"), include those of the Company. The Group Report does not form part of this report.

## Shell-Mex and B.P. Limited

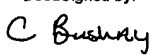
### Strategic report for the year ended 31 December 2020 (continued)

#### Going concern

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Company can continue in operational existence over the period to 31 December 2022 (the 'going concern period'). The Directors have considered the potential risks and uncertainties relating to COVID-19 and Brexit impact on the Company's business, credit, market, and liquidity position. Based on the above, together with the Directors knowledge and experience of the market, the Directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2020.

30 August 2021

Approved by the Board on ..... and signed on its behalf by:

DocuSigned by:  
  
.....7D7CDD6326B34A6.....

C. Bushay  
Authorised signatory for  
Shell Corporate Secretary Limited  
Company secretary

## **Shell-Mex and B.P. Limited**

### **Directors' report for the year ended 31 December 2020**

The Directors present their report and the financial statements for the year ended 31 December 2020.

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

#### **Dividend**

No dividends were paid during the year (2019: £nil).

#### **Future Outlook**

The Company is not expected to trade in the near future and there are no immediate plans to liquidate the Company. The Directors believe that the balances held will be realised at their reported carrying value in the normal course of business and so the financial statements continue to be prepared on a going concern basis.

#### **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

S J Judd (resigned 31 January 2020)

P J Mather

Shell Corporate Director Limited (appointed 16 April 2020)

D A Rider (resigned 30 November 2020)

F V Ryder (appointed 30 November 2020)

#### **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 186 to 188 and note 19).

#### **Streamlined Energy and Carbon Reporting**

The directors are aware of the requirements for large UK companies to report on their UK energy use and carbon emissions. The company's energy usage and greenhouse gas emissions form part of the overall Shell Group results. The climate change and energy transition strategy and disclosures are discussed on pages 94 to 107 of the Group Report with greenhouse gas emissions and energy usage being set out on pages 106 to 107.

## **Shell-Mex and B.P. Limited**

### **Directors' report for the year ended 31 December 2020 (continued)**

#### **Statement of Directors' responsibilities**

The Directors acknowledge their responsibilities for preparing the Strategic report, Directors' report and the Company's financial statements in accordance with applicable laws 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). 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 United Kingdom Accounting Standards have 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.

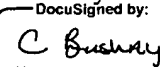
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

30 August 2021

Approved by the Board on ..... and signed on its behalf by:

DocuSigned by:  


.....  
C. Bushay 7D7CDD6326B34A6...

Authorised signatory for  
Shell Corporate Secretary Limited  
Company secretary

## **Independent Auditor's report to the Members of Shell-Mex and B.P. Limited**

### **Opinion**

We have audited the financial statements of Shell-Mex and B.P. Limited (the "Company") for the year ended 31 December 2020, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity, and the related notes 1 to 10, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 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.

### **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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Independent Auditor's report to the Members of Shell-Mex and B.P. Limited (continued)**

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

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.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 the 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 in relation to which 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 Members of Shell-Mex and B.P. Limited (continued)**

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Companies Act 2006, Bribery Act 2010, Companies (Miscellaneous Reporting) Regulation 2018, and relevant tax compliance regulations in the jurisdictions in which the Company operates, including the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through the review of the following documentation:

## **Independent Auditor's report to the Members of Shell-Mex and B.P. Limited (continued)**

- all minutes of board meetings held during the year;
  - the Shell group's code of conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations;
  - any relevant correspondence with local tax authorities;
  - and any relevant correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the Company applies.
  - Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business, enquiries of legal counsel and management, review of internal audit reports and of the volume and nature of complaints received by the whistleblowing hotline during the year relevant to the Company.

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.

### **Use of our report**

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.



.....  
William Testa (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: September 6, 2021  
.....

**Shell-Mex and B.P. Limited**

**Profit and loss account for the year ended 31 December 2020**

**Continuing operations**


	Note	2020 £	2019 £
<b>OPERATING RESULT</b>	3	-	-
<b>RESULT BEFORE INTEREST AND TAXATION</b>		-	-
<b>RESULT BEFORE TAXATION</b>		-	-
Tax on result	5	11,033	(912)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u>11,033</u>	<u>(912)</u>

The profit for the current year and the loss for the prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

**Shell-Mex and B.P. Limited**  
**(Registration number: 00260320)**  
**Balance sheet as at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	6	<u>200</u>	<u>200</u>
		<u>200</u>	<u>200</u>
<b>Current assets</b>			
Debtors	7	<u>13,419,829</u>	<u>13,419,829</u>
		13,419,829	13,419,829
<b>Creditors: Amounts falling due within one year</b>	8	<u>(18,766)</u>	<u>(29,799)</u>
<b>Net current assets</b>		<u>13,401,063</u>	<u>13,390,030</u>
<b>Total assets less current liabilities</b>		<u>13,401,263</u>	<u>13,390,230</u>
<b>Net assets</b>		<u>13,401,263</u>	<u>13,390,230</u>
<b>Equity</b>			
Called up share capital	9	12,500,006	12,500,006
Profit and loss account		<u>901,257</u>	<u>890,224</u>
<b>Total equity</b>		<u>13,401,263</u>	<u>13,390,230</u>

The financial statements on pages 9 to 20 were authorised for issue by the Board of Directors on 30 August 2021 and signed on its behalf by:

DocuSigned by:  
  
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M J Ashworth  
 Director

**Shell-Mex and B.P. Limited**

**Statement of changes in equity for the year ended 31 December 2020**

	Called up share capital £	Profit and loss account £	Total £
<b>Balance as at 01 January 2019</b>	<b>12,500,006</b>	<b>891,136</b>	<b>13,391,142</b>
Loss for the year	-	(912)	(912)
<b>Balance as at 31 December 2019</b>	<b>12,500,006</b>	<b>890,224</b>	<b>13,390,230</b>
<b>Balance as at 01 January 2020</b>	<b>12,500,006</b>	<b>890,224</b>	<b>13,390,230</b>
Profit for the year	-	11,033	11,033
<b>Balance as at 31 December 2020</b>	<b>12,500,006</b>	<b>901,257</b>	<b>13,401,263</b>

## **Shell-Mex and B.P. Limited**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **General information**

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

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

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements were prepared in accordance with Financial Reporting Standard 102. The financial statements were prepared under the historical cost convention, except for certain items measured at fair value, and in accordance with the Companies Act 2006.

These financial statements have been prepared on the going concern basis and in accordance with applicable laws and accounting standards in the United Kingdom, using historical cost principles.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

##### **Going concern**

As at the date of approving the financial statements, the impact of COVID-19 on the Company's operations is continually being assessed and is subject to rapid change. The Directors have considered the potential risks and uncertainties relating to COVID-19 and Brexit impact on the Company's business, credit, market, and liquidity position. The Directors have assessed that the Company is expected to have adequate headroom to meet its liabilities and commitments over the going concern period to 31 December 2022. The Directors have assessed that the Company has adequate resources to continue in operation for the period to 31 December 2022.

##### **Consolidation**

The 'A' ordinary shares are held by The Shell Petroleum Company Limited (5,000,003 shares) and The Anglo-Saxon Petroleum Company Limited (2,500,000 shares) a wholly owned subsidiary of The Shell Petroleum Company Limited. Both these companies are members of the Shell Group of Companies. All the 'B' ordinary shares are held by BP Oil UK Limited, a company of the BP plc group.

The Company is jointly controlled by the Shell Group and BP Oil UK Limited. Consequently, neither party is regarded as the controlling party. The Shell Group holds 60% and is the operator of the Company and BP Oil UK Limited holds 40% of the total share capital of the company.

## **Shell-Mex and B.P. Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **1 Accounting policies (continued)**

The Company has not prepared consolidated financial statements on the basis that SM Realisations Limited, the 100% wholly owned subsidiary, had no transactions in the year and there are insignificant net balances held within the entity, and therefore there are no material transactions or balances which would require consolidation.

#### **Taxation**

Tax is recognised in profit or loss, except that tax attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income or directly in equity.

#### ***Current tax***

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date for tax payable to HM Revenue and Customs, or for group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested.

#### **Financial instruments**

##### **Financial Assets**

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets.

A financial asset is measured at amortised cost if the objective of the business model is to hold the financial asset in order to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently the financial asset is measured using the effective interest method less any impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. All equity instruments and other debt instruments are recognised at fair value.

## **Shell-Mex and B.P. Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **1 Accounting policies (continued)**

##### **Impairment of financial assets**

The impairment requirements for expected credit losses are applied to financial assets measured at amortised cost, financial assets measured at FVOCI and financial guarantees contracts to which IFRS 9 is applied and that are not accounted for at FVTPL. If the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses. In other instances, the loss allowance for the financial asset is measured at an amount equal to the twelve month expected credit losses (ECLs). Changes in loss allowances are recognised in profit and loss.

##### **Financial Liabilities**

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL, such as instruments held for trading, or the Company has opted to measure them at FVTPL. Debt and trade creditors are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. Interest expense on debt is accounted for using the effective interest method and is recognised in income.

##### **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 Section 27 of Financial Reporting Standard 102. Any impairments are recorded in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of an investment 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.

##### **Related party disclosures**

All related party balances have been disclosed.

## **Shell-Mex and B.P. Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **1 Accounting policies (continued)**

##### **Netting off policy**

Balances with other companies of the Shell Group are stated gross, unless both of the following conditions are met:

- Currently there is a legally enforceable right to set off the recognised amounts; and
- There is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **2 Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Provision for expected credit losses of trade debtors**

The Company computes probability of default rates for third party trade debtors based on historical loss experience adjusted for current and forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. For intra-group trade debtors, the Company uses an internal credit rating to determine the probability of default. Internal credit ratings are based on methodologies adopted by independent credit rating agencies.

#### **3 Operating result**

The Company has not traded during the year and has neither received any income nor incurred any expenditure resulting in no operating profit or loss for the year.

The Company had no employees during 2020 (2019: none).

None of the Directors received any emoluments (2019: none) in respect of their services to the Company.

## Shell-Mex and B.P. Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 4 Auditor's remuneration

The Auditor's remuneration of £3,224 (2019: £2,629) in respect of the statutory audit was borne by the immediate parent company for both the current and preceding years.

Fees paid to the Company's auditor and its associates for non-audit services to the Company itself are not disclosed in the individual financial statements of the Company because the Royal Dutch Shell plc consolidated financial statements are required to disclose such fees on a consolidated basis.

#### 5 Tax on result

##### Tax (credit)/charge in the profit and loss account

The tax credit for the year of £11,033 (2019: charge of £912) is made up as follows:

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	-	11,033
Adjustment in respect of prior periods	(11,033)	(10,121)
<b>Total current tax (credit)/charge</b>	<b>(11,033)</b>	<b>912</b>
<b>Tax (credit)/charge in the profit and loss account</b>	<b>(11,033)</b>	<b>912</b>

##### Reconciliation of total tax (credit)/charge

## Shell-Mex and B.P. Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 5 Tax on result (continued)

The tax on result before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2019 : 19 %).

The differences are reconciled below:

	2020 £	2019 £
Tax on result calculated at standard rate (2020:19%) (2019: 19%)	-	-
<b>Effects of:</b>		
Tax on imputed interest	-	11,033
Adjustment in respect of prior periods	<u>(11,033)</u>	<u>(10,121)</u>
<b>Total tax (credit)/charge</b>	<u><b>(11,033)</b></u>	<u><b>912</b></u>

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

These changes were substantively enacted on 24 May 2021 and is not anticipated to have a material impact on the balance sheet of the company as at 31 December 2020.

# **Shell-Mex and B.P. Limited**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **6 Investments**

	<b>Subsidiary undertaking shares £</b>	<b>Total £</b>
<b>Cost</b>		
Balance at 1 January 2020	<u>200</u>	<u>200</u>
<b>Balance at 31 December 2020</b>	<u><b>200</b></u>	<u><b>200</b></u>
<b>Amounts provided</b>		
Balance at 1 January 2020	<u>-</u>	<u>-</u>
<b>Balance at 31 December 2020</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Carrying amount</b>		
<b>At 31 December 2020</b>	<u><u><b>200</b></u></u>	<u><u><b>200</b></u></u>
<b>At 31 December 2019</b>	<u><u><b>200</b></u></u>	<u><u><b>200</b></u></u>

Details of the subsidiary as at 31 December 2020 are as follows:

<b>Name of subsidiary</b>	<b>Registered office and Country of incorporation</b>	<b>Class of shares</b>	<b>% of ownership</b>
SM Realisations Limited*	Shell Center, London, SE1 7NA England and Wales	Ordinary	100%

\*In members' voluntary liquidation.

## Shell-Mex and B.P. Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 7 Debtors

##### Debtors: amounts due within one year

	2020 £	2019 £
Amounts owed by related parties		
Joint parent undertakings:		
Shell U.K. Limited	8,059,755	8,059,755
BP Oil UK Limited	5,360,074	5,360,074
	<u>13,419,829</u>	<u>13,419,829</u>

Amounts owed by Joint parent undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The Company has recorded all financial assets at amortised cost.

#### 8 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to Group undertaking		
Subsidiary undertaking	200	200
Fellow subsidiary undertakings	18,566	9,327
Tax liability	-	20,272
	<u>18,766</u>	<u>29,799</u>

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

The Company has recorded all financial liabilities at amortised cost.

# **Shell-Mex and B.P. Limited**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **9 Called up share capital**

#### **Allotted, called up and fully paid shares**

	No.	2020 £	No.	2019 £
'A' ordinary shares of £1 each	7,500,003	7,500,003	7,500,003	7,500,003
'B' ordinary shares of £1 each	5,000,003	5,000,003	5,000,003	5,000,003
	<u>12,500,006</u>	<u>12,500,006</u>	<u>12,500,006</u>	<u>12,500,006</u>

### **10 Related party transactions**

During the year, the Company had no transactions with related parties except the settlement of tax liability by The Shell Petroleum Company Limited accounted for in the previous year (2018) amounting to GBP 9,239 which leads to an increase in the balances in the current year.

As at 31 December 2020, the outstanding amounts owed by related parties comprises of:

Related party name	Receivable / (payable) balance as at	
	2020 £	2019 £
Shell U.K. Limited	8,059,755	8,059,755
BP Oil UK Limited	5,360,074	5,360,074
The Shell Petroleum Company Limited	(18,566)	(9,327)