

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

DIRECTORS' REPORT

AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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THE CONSOLIDATED PETROLEUM COMPANY LIMITED

STRATEGIC REPORT

The Directors present their strategic report on The Consolidated Petroleum Company Limited (also referred to as the “Parent Company”) and its subsidiaries (also referred to as the “Group”) for the year ended 31 December 2016.

The Consolidated Petroleum Company Limited is a joint venture between The Anglo-Saxon Petroleum Company Limited and BP International Limited, who each own 50% of the issued share capital.

BUSINESS REVIEW

The Group result for the financial year was £nil (2015: £nil) and the Parent Company’s result for the financial year £nil (2015: £nil). The Group and Parent Company had net assets as at 31 December 2016 of £9,848,000 (2015: £9,848,000). A Group profit and loss account has not been prepared as there were no transactions within the Group profit and loss account for the years to 31 December 2016 and 31 December 2015.

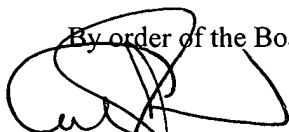
Principal Risks and Uncertainties

The Shell Group has a single risk based control framework – The Shell Control Framework – to identify and manage risks. As the Company is managed by the Shell Group, the Shell control Framework applies. From the perspective of the Company, the principal risks and uncertainties affecting the Company are considered to be those that affect the Shell Group. Accordingly, the principal risks and uncertainties of the Shell Group, which are discussed on pages 12 to 15 of Royal Dutch Shell’s Annual Report and Form 20-F for the year ended 31 December 2016 (the “Group Report”), include those of the Company. (The Group Report does not form part of this report).

Key Performance Indicators

Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Integrated Gas and Oil Sands and the Downstream businesses of Oil Products and Chemicals. The Company’s key performance indicators, that give an understanding of the development, performance and position of the business, are aligned with those of the Shell Group. The development, performance and position of the various businesses is discussed on pages 22 to 48 of the Group Report and the key performance indicators through which the Shell Group’s performance is measured are as set out on pages 20 to 21 of the Group Report.

By order of the Board



G. Thomson
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary
28th September 2017

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

DIRECTORS' REPORT

The Directors present their report and audited accounts for the year ended 31 December 2016.

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

Dividends

The Directors recommend that no dividend be paid for the year ended 31 December 2016 (2015: £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 accounts continue to be prepared on a going concern basis.

DIRECTORS

The Directors of the Parent Company who served throughout the year and to the date of this report (except as noted) were:

A.H. Haywood	Resigned 1 January 2017
P. Reiff-Musgrove	Resigned 31 March 2017
D.A. Rider	
P.T.E. Sanderson	
K.A Thomson	Appointed 1 January 2017
Shell Corporate Director Limited	Appointed 14 June 2017

FINANCIAL RISK MANAGEMENT

The Company follows the 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 71 to 72 and note 20).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the group and parent Company's accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Parent Company for that period. In preparing these accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

All Directors in office at the date of approval of the Directors' report confirm that in so far as each of the Directors is aware, there is no relevant audit information (meaning information needed by the Company's auditors in connection with preparing their report) that has not been disclosed to the Company's 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 Company's auditors are aware of that information.

By order of the Board

A handwritten signature in black ink, appearing to be 'G. Thomson', written over a circular stamp or seal.

G. Thomson
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary
28th September 2017

Independent auditors' report to the members of The Consolidated Petroleum Company Limited

Report on the financial statements

Our opinion

In our opinion, The Consolidated Petroleum Company Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's and the parent company's result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Directors' report and Accounts (the "Annual Report"), comprise:

- the consolidated balance sheet as at 31 December 2016;
- the parent company profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the parent company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of The Consolidated Petroleum Company Limited(continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 2 and 3, 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) ("ISAs (UK & 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 parent 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.

What an audit of financial statements involves

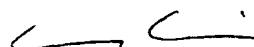
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the 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 financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



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

28 September 2017

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

REGISTERED IN ENGLAND AND WALES: 00234106

CONSOLIDATED BALANCE SHEET

As at 31 December 2016

continuing operations

	Note	2016 £'000	2015 £'000
Other Income	2	1,404	-
Loss on liquidation		(1,404)	-
RESULTS BEFORE TAXATION	3	-	-
Tax on result		-	-
RESULT FOR THE YEAR		-	-

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

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

REGISTERED IN ENGLAND AND WALES: 00234106

CONSOLIDATED BALANCE SHEET

As at 31 December 2016

	Note	2016 £'000	2015 £'000
CURRENT ASSETS			
Debtors	5	<u>9,848</u>	<u>9,848</u>
NET ASSETS		<u>9,848</u>	<u>9,848</u>
EQUITY			
Called up share capital	6	3,500	3,500
Profit and loss account		<u>6,348</u>	<u>6,348</u>
TOTAL EQUITY		<u>9,848</u>	<u>9,848</u>


The accounts on pages 6 to 14 were approved by the Board of Directors on 28th September 2017 and were signed on its behalf by:


Michael Ashworth for
Shell Corporate Director Limited
Director

THE CONSOLIDATED PETROLEUM COMPANY LIMITED**REGISTERED IN ENGLAND AND WALES: 00234106****PARENT COMPANY BALANCE SHEET****As at 31 December 2016**

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Investments	4	-	-
CURRENT ASSETS			
Debtors	5	9,848	9,848
NET CURRENT ASSETS		<u>9,848</u>	<u>9,848</u>
NET ASSETS		<u>9,848</u>	<u>9,848</u>
EQUITY			
Called up share capital	6	3,500	3,500
Profit and loss account		6,348	6,348
TOTAL EQUITY		<u>9,848</u>	<u>9,848</u>

The accounts on pages 6 to 14 were approved by the Board of Directors on 28th September 2017 and were signed on its behalf by:



Michael Ashworth for
Shell Corporate Director Limited
Director

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

Group

	Note	Called-up Share Capital £ '000	Profit and loss account £ '000	Total £ '000
Balance as at 1 January 2015 and 31 December 2015	6	3,500	6,348	9,848
Balance as at 1 January 2016		3,500	6,348	9,848
Result for the year		-	-	-
Balance as at 31 December 2016		3,500	6,348	9,848

Company

	Note	Called-up Share Capital £ '000	Profit and loss account £ '000	Total £ '000
Balance as at 1 January 2015 and 31 December 2015	6	3,500	6,348	9,848
Balance as at 1 January 2016		3,500	6,348	9,848
Result for the year		-	-	-
Balance as at 31 December 2016		3,500	6,348	9,848

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

General company information

The Company is a limited company, which is incorporated in England and Wales. The registered office is Shell Centre, London, SE1 7NA, United Kingdom.

1. Summary of significant accounting policies

a) Basis of Preparation

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

The accounting policies have been consistently applied.

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 subsidiary are consistent with the policies adopted by The Consolidated Petroleum Company Limited.

A list of the subsidiaries has been included in note 4.

c) Taxation

Corporation tax

The Company records a tax charge or credit in profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity which is calculated at the tax rates and laws that are enacted or substantively enacted by the balance sheet 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.

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

(ii) Transaction and balances

Income and expense items denominated in foreign currencies are translated into Pounds Sterling at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been expressed in Pounds Sterling at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of the transaction. No subsequent translations are made once this has occurred.

e) Financial assets

(i) Classification

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

(ii) Recognition and measurement

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

f) Financial liabilities

(i) Classification

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

All Financial liabilities are held at amortised cost.

(ii) Recognition and measurement

Financial liabilities are initially recognised at fair value, and then subsequently at at amortised cost using the effective interest rate method.

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

g) Investments in subsidiaries

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

h) Netting-off policy

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

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

i) Cash flow statement

Although the Group and Parent Company is required to disclose a cashflow during the period of 2015 and 2016 there were no movements in cash therefore there is no disclosure within these accounts.

j) Related party disclosures

All related party balances have been disclosed.

2. Other Income

Other income relates to partial reversal of a bad debt provision against The Consolidated Petroleum Supply Company Limited receivable.

3. Result before taxation

Result is stated after charging:

	2016 £'000	2015 £'000
Other income	1,404	-
Loss on liquidation	(1,404)	-

A Group profit and loss account has not been prepared as the Group has received no income and incurred no expenditure during the year.

None of the Directors received any emoluments in respect of their services to the Parent Company (2015: £Nil).

The Group and Parent Company had no employees during 2016 (2015: None).

The Auditors' remuneration of £8,500 (2015: £5,253) in respect of statutory audit was borne by a member of the Shell group for both the current and preceding years.

No fees were paid to the auditor in respect of any other work (2015: USD nil).

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

4. Investments

	Subsidiary undertaking Shares £'000
Cost	
Balance at 1 January 2016	-
Additions	1,404
Balance at 31 December 2016	<u>1,404</u>
 Loss on liquidation	 <u>1,404</u>
Net book amount	
At 31 December 2016	-
At 31 December 2015	-

The Parent Company assumed a liability of £1,404,000 from Shell and BP Services Limited pertaining to a balance due to The Consolidated Petroleum Supply Company Limited in return for share capital issuance, recognised in 2016. The loss on liquidation relates to Shell and BP Services Limited which has been liquidated.

List of investments

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

	Country of incorporation	Registered office	% of ordinary shares held
The Consolidated Petroleum Supply Company Limited	United Kingdom	Shell Centre, London, SE1 7NA	90%

5. Debtors

	2016 Within 1 Year £'000	2015 Within 1 Year £'000
Group		
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 unsecured, interest free, have no fixed date of payment and are repayable on demand.

THE CONSOLIDATED PETROLEUM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

5. Debtors (continued)

	2016 Within 1 Year £'000	2015 Within 1 Year £'000
Parent Company		
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	7,098
	<u>9,848</u>	<u>9,848</u>

The amount due from subsidiary undertakings is shown net of a provision of £3,860,265 (2015: £5,264,209). Balances with related parties are unsecured, interest free, have no fixed date of payment and are repayable on demand.

6. Called up share capital

	2016 £'000	2015 £'000
Authorised, Allotted and fully paid		
175,000 (2015: 175,000) 'A' ordinary shares of £10 each	1,750	1,750
175,000 (2015: 175,000) 'B' ordinary shares of £10 each	1,750	1,750
	<u>3,500</u>	<u>3,500</u>

7. Related party disclosures

During the year, the Group had injected equity of £1,404,000 into Shell and BP Services Limited, and in turn assumed a liability for the same amount due by Shell and BP Services Limited to another subsidiary, The Consolidated Petroleum Supply Company Limited (2015: Nil transactions with related parties)

As at 31 December 2016 there was outstanding amounts owed by Related Parties of £9,848,325 (2015: £9,848,325), this was made up of:

The Shell Petroleum Company Limited £7,582,879
BP International Limited £2,265,446

During the year, the Parent Company had injected equity of £1,404,000 into Shell and BP Services Limited, and in turn assumed a liability for the same amount due by Shell and BP Services Limited to another subsidiary, The Consolidated Petroleum Supply Company Limited (2015: Nil transactions with related parties)

As at 31 December 2016 there was outstanding amounts owed by Related Parties of £9,848,325 (2015: £9,848,325), this was made up of:

The Shell Petroleum Company Limited £2,749,734 (2015: £2,749,734)
The Consolidated Petroleum Supply Company Limited £7,098,590 (2015: £7,098,590)