LENSBURY LIMITED

Registered in England & Wales 3644400

CONTENTS

LENSBURY LIMITED

STRATEGIC REPORT

For the year ended 31st December 2013

THE LENSBURY

The Directors present their strategic report on the Company for the year ended 31 December 2013

Lensbury Limited (also referred to as the "Company" and the "Lensbury") is one of the 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 the United Kingdom, 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 plc 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 principal activities of the Company are the provision of hotel, conference, health and leisure facilities, and managing a proprietary club

The Company occupies a 25-acre site adjacent to the River Thames in Teddington and operates as a premium leisure club and hotel accommodation and conference centre facilities The site is leased from a fellow subsidiary undertaking, Shell International Petroleum Company Ltd, with the lease expiring in 2024

Turnover for 2013 of £12,910,000 was £389,000 higher than 2012 and profit on ordinary activities before tax for the financial year was £624,000 against £967,000 in 2012 2013 saw the completion of the rebuild and refurbishment of its main function room the Thames View Suite, and the completion of the building of a new rugby pitch and open grass area Work was commenced at the end of 2013 to rebuild and refurbish the ground floor of the hotel and to refurbish the Mews accommodation This will help to continue to reduce its carbon emissions and carbon footprint During the year, there has not been any significant change in the overall strategy of the business

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

The Directors recommend that no dividend be paid for the year ended 31 December 2013 (2012 £nil)

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 The key business risks and uncertainties affecting Lensbury specifically are considered to relate to the potential impact of a downturn in the economy on customer demand and competitor pricing, as well as rising costs, particularly food supplies

Given the straightforward nature of the business, the Company's Directors are of the opinion that further analysis using KPI's are not necessary, for the purposes of this report, for an understanding of the development, performance, or position of the business

The outlook for the economy in 2014 continues to be uncertain, but the Company is in a strong position to manage the business during this year and is prepared for an upturn Lensbury management are committed to running an efficient operation and controlling the level of costs Investment in 2014 is geared to maintaining and improving the asset and to maximising long-term profitability

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STRATEGIC REPORT

For the year ended 31st December 2013

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In April 2011, the Company agreed a five-year Group financing facility from The Shell Petroleum Company Ltd, a Shell Group Company, of £2,500,000 to provide support to the Company's investment programme In December 2013 the Company drew down £256,000 of this facility In March 2014 this facility was cancelled and a new five-year facility with the Shell Petroleum Company Ltd of £12,000,000 was agreed

By order of the Board

G P Thomson
Company Secretary
Authorised signatory for
Shell Corporate Secretary Limited
Registered in England & Wales 3644400

Dated 2 May 2014

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

DIRECTORS

The Directors of the Company, who served throughout the year and to the date of this report, are

B Barry
RW Birchall (Appointed 21 June 2013)
L Curtis-Ward
L Gelpey (Resigned 1 February 2014)
M Napier (Chairman)
S Perlaki (Appointed 31 January 2014)
P Warren (Appointed 8 February 2013, Resigned 29 May 2013)

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 Annual Report

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' 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 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 Company and of the profit or loss of the 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 accounting 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 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 accounts 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 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 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

G P Thomson
Company Secretary
Authorised signatory for
Shell Corporate Secretary Limited
Registered in England & Wales 3644400

Dated 2 May 2014

Report on the financial statements

Our opinion

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 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

This opinion is to be read in the context of what we say below

What we have audited

The financial statements for the year ended 31 December 2013, which are prepared by Lensbury Limited, comprise

- Profit and Loss Account
- Balance Sheet
- the Accounting Policies, and
- related notes

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and 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 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 Directors' report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on matter prescribed by the Companies Act 2006

In our opinion 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

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, 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LENSBURY LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, 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 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 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

Nicholas Stevenson

Nicholas Stevenson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place,
LONDON
WC2N 6RH
Dated 2 May 2014

LENSBURY LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2013

THE LENSBURY

Continuing Operations

	Note	2013 £'000	2012 £'000
Turnover	2	12,910	12,521
Cost of sales		(5,013)	(4,163)
GROSS PROFIT		7,897	8,358
Distribution Costs		(432)	(423)
Administrative expenses		(6,844)	(6,964)
OPERATING PROFIT		621	971
Profit/(loss) on sale of tangible fixed assets	4	2	(3)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		623	968
Other interest receivable and similar income	3	1	-
Interest payable and similar charges	3	-	(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	624	967
Tax on profit on ordinary activities	5	(429)	(370)
PROFIT FOR THE FINANCIAL YEAR		195	597

The reported profit on ordinary activities before taxation and the amount of profit retained for the current and the prior year are presented on a historical cost basis

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

LENSBURY LIMITED

BALANCE SHEET

At 31st December 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible fixed assets	6	10,866	9,943
		10,866	9,943
CURRENT ASSETS			
Deferred taxation	12	127	187
Stocks	7	50	45
Debtors	8	1,043	692
Cash at bank and in hand		840	1,054
		2,060	1,978
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(3,263)	(2,709)
NET CURRENT (LIABILITIES)		(1,203)	(731)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,663	9,212
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(256)	-
NET ASSETS		9,407	9,212
CAPITAL AND RESERVES			
Called up share capital	14	8,000	8,000
Profit and loss account	14	1,407	1,212
TOTAL SHAREHOLDERS' FUNDS	14	9,407	9,212

The accounts on pages 7 to 16 were approved by the Board of Directors on 2 May 2014 and were signed on its behalf by

M Napier
Chairman

Registered in England & Wales 3644400

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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 and in accordance with the Companies Act 2006, applicable Accounting Standards in the UK and the accounting policies as described below

Whilst the balance sheet at 31 December 2013 reports net current liabilities of £1,203,000, the accounts have been prepared under the going concern concept due to The Shell Petroleum Company Limited, a Shell Group Company, providing a £12million Loan Facility This facility is considered sufficient to enable the Company to meet its liabilities for a period of at least 12 months from the signing of the accounts Further details of this facility are set out in the Directors' report within "Principal Risks and Uncertainties"

b) **Group accounts**
The immediate parent company is The Shell Petroleum Company Ltd, and the ultimate parent company and controlling party is Royal Dutch Shell plc, which is incorporated in the UK

Royal Dutch Shell plc is the parent undertaking of the largest and smallest group of undertakings to consolidate these accounts at 31 December 2012 The consolidated accounts of Royal Dutch Shell plc are available from

Royal Dutch Shell plc
Tel +31 888 800 844
Email order@shell com

c) **Turnover**
Turnover represents amounts receivable (excluding VAT) for sales of Hotel, Conference, Health & Leisure and Membership activities, charged in the month in which those activities took place

Membership joining fees are included in turnover in the year in which the membership commences and annual subscription fees are recognised in the year to which they relate

d) **Taxation**
The Company records a tax charge or credit in the profit and loss account calculated at the tax rate prevailing in the year 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

e) **Deferred taxation**
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the Company's taxable profit and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Amounts relating to deferred tax are undiscounted

f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use A review for the potential impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable Such impairment reviews are performed in accordance with FRS 11 Any impairment is recorded in the profit and loss account

If, after an impairment loss has been recognised, the recoverable amount of a fixed asset 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

Depreciation and impairment are not normally charged on assets under construction or on long leasehold land In the case of these assets, an impairment review would only be undertaken if, and only if, there was a change in circumstances indicating that the carrying amount of the asset may not be recoverable

Depreciation is calculated on a straight-line basis in order to write off the cost of an asset less its residual value over the estimated remaining useful life The annual percentage rates applicable to the major classes of assets are as follows

Short leasehold land and buildings over the remaining period of lease
Equipment over the economic life ranging 5% -50% per annum
Fixtures and fittings over the economic life ranging 10% -20% per annum

g) Stocks

Stocks are valued at the lower of cost and net realisable value Cost is determined by the "first in-first out" method

h) Leased assets

Assets leased under operating leases have been accounted for on the basis prescribed by Statement of Standard Accounting Practice ("SSAP") 21

Leases that transfer substantially all the risks and rewards of ownership are recognised at the commencement of the lease term as finance leases Finance leases are recorded in the balance sheet as assets and as obligations to make future payments The sum recorded both as an asset and as a liability is the present value of the minimum lease payments calculated using the discount rate implicit in the lease The resultant tangible fixed assets are depreciated, depleted, or amortised over the lower of the useful life and the term of the lease Payments made are accounted for in the appropriate proportions as repayments of principal and charges for interest

All other leases are recorded as operating leases and the costs are charged to the profit and loss account as incurred

i) **Pension costs**
The Company contributes to individual Stakeholder pension accounts for eligible staff The costs are charges to the profit and loss account on an accruals basis in accordance with FRS17

j) **Cash flow statement**
In accordance with the exemption allowed by paragraph 5(a) of FRS 1, a cash flow statement for the Company has not been provided

k) **Related party disclosures**
In accordance with the exemption allowed by paragraph 3(c) of FRS 8, no disclosure is made of transactions with other wholly owned member companies of The Shell Group or investees of the Group qualifying as related parties

2 Turnover

Turnover comprises income from the conference centre, the hotel, and membership, social and sporting facilities of Lensbury Limited at Teddington Lock, all within the UK, as follows

	2013 £'000	2012 £'000
Hotel	6,322	5,997
Conference	979	930
Health & leisure	820	896
Membership	4,789	4,698
	12,910	12,521

3 Interest

	2013 £'000	2012 £'000
Interest from banks and similar income	1	-
Interest paid to banks	-	1

4 Profit on ordinary activities before taxation

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

	2013 £'000	2012 £'000
Staff costs		
Wages and salaries	4,077	3.978
Social security costs	350	333
Other pension costs (refer to note 11)	183	182
	4,610	4,493

The average monthly number of persons employed (full time equivalent) by the Company in 2013 was 181 (2012 186)

	2013 £'000	2012 £'000
Operating lease rental charged	1,062	848
Depreciation on owned assets	1,987	1,840
Auditors' remuneration for audit services	21	21
(Profit)/loss on sale of tangible fixed assets	(2)	3

5 Tax on profit on ordinary activities

The charge/(credit) for the year is made up as follows

	2013 £'000	2012 £'000
UK corporation tax at the standard rate of 23 3% (2012 24 5%)	369	423
Adjustments in respect of prior years	-	(19)
Total current tax charge	369	404
Deferred tax		
Effect of change in corporation tax rates	25	17
Origination and reversal of timing differences	35	46
Adjustments in respect of prior years	-	(97)
Total deferred tax charge (Note 12)	60	(34)
Total tax charge	429	370

The tax assessed for the year differs from the standard rate of UK corporation tax (23 3%) The differences are explained below

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	624	967
Tax on profit on ordinary activities at standard UK corporation tax rate of 23 3% (2012 24 5%)	144	237
Effects of		
Expenses not deductible	260	232
Accelerated capital allowances	(35)	(46)
Adjustments in respect of prior years	-	(19)
Current tax charge for the year	369	404

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5 Tax on profit on ordinary activities (continued)

The UK Corporation Tax Rate was 23 3% for the year to 31 December 2013 (2012 24 5%)

Factors affecting current and future tax charges

Changes to the UK corporation tax rate were announced in the March 2014 Budget, including a reduction to the UK main corporation tax rate from 23% to 21% which became effective on 1 April 2014

The March 2014 Budget announced further changes which are expected to be enacted separately each year and propose to reduce the UK corporation tax rate to 20% by 1 April 2015

The relevant deferred tax balances have been re-measured to 21%, the rate enacted by the balance sheet date

6 Tangible fixed assets

	Short leasehold land and buildings	Equipment	Fixtures & fittings	Total
	£'000	£'000	£'000	£'000
Cost				
Balance at 1 January 2013	8,719	3,838	9,505	22,062
Additions	491	400	2,019	2,910
Disposals and retirements	(395)	(182)	(99)	(676)
Balance at 31 December 2013	8,815	4,056	11,425	24,296
Accumulated depreciation				
Balance at 1 January 2013	4,310	2,483	5,326	12,119
Charge for the year	444	373	1,170	1,987
Disposals and retirements	(395)	(182)	(99)	(676)
Balance at 31 December 2013	4,359	2,674	6,397	13,430
Net book amount				
At 31 December 2013	4,456	1,382	5,028	10,866
At 31 December 2012	4,409	1,355	4,179	9,943

THE LENSBURY

7 Stocks

	2013 £'000	2012 £'000
Food	23	18
Beverage	14	14
Other	13	13
	50	45

8 Debtors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade debtors	193	360
Amounts owed by Group undertakings		
Fellow subsidiary undertakings	599	114
Prepayments and accrued income	251	218
	1,043	692

9 Creditors:

Amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	783	443
Amounts owed to Group undertakings		
Fellow subsidiary undertakings	105	65
Taxation payable	791	742
Social security and other taxes	331	399
Other creditors	78	51
Accruals and deferred income	1,175	1,009
	3,263	2,709

Amounts falling due after more than one year.

	2013 £'000	2012 £'000
Amounts owed to Group undertakings		
Fellow subsidiary undertakings	256	-

10 Operating lease commitments

At 31 December, the Company had annual commitments under operating leases as follows

	2013 Land & Buildings £'000	2013 Other £'000	2012 Land & Buildings £'000	2012 Other £'000
Lease expiring				
Within one year	-	-	-	-
Within two to five years		32	-	31
After five years	1,030	-	1,030	-
	1,030	32	1,030	31

11 Pension schemes

Contributions to Stakeholder pension plans

Contributions payable to the plans are charged to the profit and loss account in the years in which they relate The amount charged during the year was £183,000 (2012 £182,000) and represents 6%, 9% or 10% of members' pensionable salaries (2012 6%, 9% or 10%)

12 Deferred taxation

The amount set aside for deferred tax represents the timing differences between the recognition of items of income and expenditure for accounting and tax purposes for the years up to and including 2013

The deferred tax asset comprises	2013 £'000	2012 £'000
Deferred tax asset		
Accelerated capital allowances	127	187
Total for deferred tax asset	127	187

1 January 2013	187
Deferred tax (charge)/credit in the profit and loss account	(35)
Impact of tax rate change	(25)
Adjustments in respect of prior years in the profit and loss account	-
31 December 2013	127

The UK Corporation Tax Rate was reduced from 24% to 23% with effect from 1 April 2013

13 Called up share capital

	2013	2012
Authorised, allotted and called up	£	£
8,000,000 (2012 8,000,000) ordinary shares of £1 each	8,000,000	8,000,000

14 Reconciliation of movements in Total Shareholders' funds

	Share Capital	Profit & Loss Account	Total Shareholders' Funds
	£'000	£'000	£'000
At 1 January 2013	8,000	1,212	9,212
Profit for the year	-	195	195
At 31 December 2013	8,000	1,407	9,407

15 Directors

Directors' emoluments

	2013	2012
	£	£
Aggregate emoluments	262,495	203,478
Aggregate amounts of contributions paid to Stakeholder pension schemes	21,837	16,081

The emoluments and pension contributions for the highest paid Director during the year were respectively £163,200 (2012 £129,000) and £13,800 (2012 £12,000)

The number of Directors to whom retirement benefits are accruing is as follows

	2013 Number	2012 Number
In respect of Stakeholder Pension Plan	2	1

These emoluments and pensions were borne by the Company and charged in the Profit and Loss Account

16 Capital commitments

	2013	2012
	£	£
Capital expenditure committed at 31st December	4,147,000	1,463,000

17 Post Balance Sheet events

There are no reportable events after the Balance Sheet date