

SHELL INTERNATIONAL RENEWABLES LIMITED

DIRECTORS' REPORT

AND ACCOUNTS

2003

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SHELL INTERNATIONAL RENEWABLES LIMITED

DIRECTORS' REPORT

The Directors submit their annual report and audited accounts for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company was to provide business support to Shell renewables businesses.

The Directors anticipate that all future renewable energy activities will be carried out through Shell International Renewables BV, a fellow subsidiary undertaking incorporated in the Netherlands and future United Kingdom wind energy activities will be carried out through Shell Windenergy Limited, a fellow subsidiary undertaking incorporated in the United Kingdom. As a result the Company has ceased all trading activities.

The Company's profit for the financial year increased from £26,000 to £45,000. This was principally due to gains on currency translation of £46,000 (2002: loss of £31,000). The Directors recommend that no dividend be paid for the year ended 31 December 2003 (2002: £Nil).

The Directors are currently reviewing future options for the direction of the Company.

DIRECTORS

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

K.M.A De Segundo

P.J Duisenberg

DIRECTORS' INTERESTS

- i) The Directors' shareholding and debenture-holding interests (other than share options) in Royal Dutch Petroleum Company ("Royal Dutch") and its subsidiary undertakings recorded in the Register of such interests were as follows:

	Royal Dutch Ordinary Shares € 0.56 each 1 January 2003	Royal Dutch Ordinary Shares € 0.56 each 31 December 2003
K.M.A De Segundo	2,250	2,250

SHELL INTERNATIONAL RENEWABLES LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (Continued)

- ii) The interests of the Directors of the Company in shares of Royal Dutch under share option schemes as recorded in the Register of such interests were as follows:

Royal Dutch ordinary shares

	€ 0.56 each Options Outstanding 1 January 2003	Options Granted	Options Cancelled	€ 0.56 each Options Outstanding 31 December 2003
K.M.A De Segundo	79,000	21,200	(3,500)	96,700
P.J Duisenberg	4,000	4,600	-	8,600

According to the Register of Directors' interests, no other Directors had any such interests in the above-named undertaking nor in any other undertaking requiring disclosure under the Companies Act 1985.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 1985 requires the Directors to prepare accounts for each financial year which 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 those 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

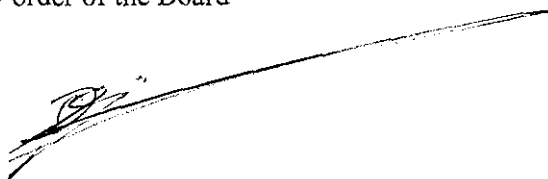
SHELL INTERNATIONAL RENEWABLES LIMITED

DIRECTORS' REPORT (Continued)

AUDITORS

The Company has passed an Elective Resolution in accordance with the Companies Act 1985 to dispense with the holding of annual general meetings, the laying of accounts and reports before general meetings and the annual reappointment of Auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as Auditors of the Company pursuant to Section 386 of the Companies Act 1985. However, pursuant to Section 253(2) of the Companies Act 1985, any Member or the Auditors of the Company may require the accounts and reports to be laid before a general meeting by depositing a notice to that effect at the registered office of the Company not later than 28 days after the despatch of the accounts and reports to Members.

By order of the Board

A handwritten signature in dark ink, appearing to be 'P. Duisenberg', is written over a long, thin horizontal line.

P. Duisenberg
Director
26 July 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL INTERNATIONAL RENEWABLES LIMITED

We have audited the accounts which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the annual report and the accounts in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and
Registered Auditors

26 July 2004

1 Embankment Place,
LONDON, WC2N 6RH.

SHELL INTERNATIONAL RENEWABLES LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2003

Discontinued operations

	Note	2003 £'000	2002 £'000
Turnover	2	1,176	5,403
Cost of sales		<u>(1,176)</u>	<u>(5,403)</u>
GROSS PROFIT		-	-
Other operating income		<u>58</u>	<u>42</u>
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAXATION	3	58	42
Tax on profit on ordinary activities	4	<u>(13)</u>	<u>(16)</u>
RETAINED PROFIT FOR THE YEAR		<u>45</u>	<u>26</u>

There were no recognised gains or losses other than the profit for the current and previous years and accordingly a statement of total recognised gains and losses has not been presented.

SHELL INTERNATIONAL RENEWABLES LIMITED

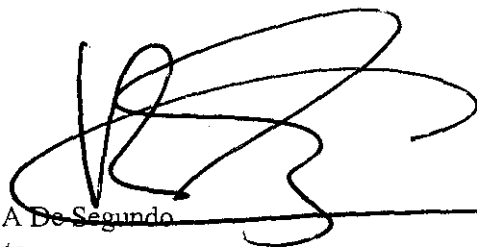
BALANCE SHEET

At 31 December 2003

	Note	2003 £'000	2002 £'000
CURRENT ASSETS			
Debtors	5	1,142	1,707
CREDITORS: amounts falling due within one year	6	<u>(227)</u>	<u>(837)</u>
NET CURRENT ASSETS		<u>915</u>	<u>870</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>915</u>	<u>870</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>(85)</u>	<u>(130)</u>
EQUITY SHAREHOLDERS' FUNDS	9	<u>915</u>	<u>870</u>

The notes on pages 7 to 12 form part of these accounts.

The accounts were approved by the Board of Directors on the 26 July 2004 and were signed on its behalf by:


K.M.A De Segundo
Director

SHELL INTERNATIONAL RENEWABLES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

1. Accounting policies

a) Accounting convention and compliance with Accounting Standards

The accounts have been prepared under the historical cost convention, and, in accordance with the Companies Act 1985 and applicable Accounting Standards, in the United Kingdom and the accounting policies as described below.

b) Group accounts

The immediate parent company is The Shell Petroleum Company Limited.

The ultimate parent company is N.V. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company), which is incorporated in the Netherlands. The ultimate parent company owns 60% of the share capital of The Shell Petroleum Company Limited, which is the main holding company in the UK, of which this Company is a direct subsidiary. The remaining 40% is owned by The "Shell" Transport and Trading Company, p.l.c. ("ST&T").

The accounts of the Company are incorporated in the accounts of the Royal Dutch/Shell Group of Companies which are included in the Annual Reports of Royal Dutch Petroleum Company and ST&T.

Copies of the accounts of the Royal Dutch/Shell Group of Companies are available from:

Publications and Communications Administration
Group External Affairs
PXXC Division
Shell Centre
London
SE1 7NA
United Kingdom

c) 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.

SHELL INTERNATIONAL RENEWABLES LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31 December 2003

1. Accounting policies (Continued)

c) Deferred taxation (Continued)

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the accounts. Neither is deferred tax recognised when the fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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 on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Amounts relating to deferred taxation are undiscounted.

d) Foreign currency translation

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

Monetary assets and liabilities recorded in foreign currencies have been expressed in Sterling at the rates of exchange ruling on 31 December 2003. Differences on translation are included in the profit and loss account.

e) Turnover

Turnover represents amounts received or receivable (excluding VAT) for services supplied during the period.

f) Leased assets

Assets leased under finance and operating leases have been accounted for on the basis prescribed by SSAP 21.

Rental costs under operating leases are generally charged to the profit and loss account as incurred.

g) Pension costs

The Company is not a member of the Shell Contributory Pension Fund or other Shell pension funds as it does not employ those persons who work on behalf of the Company. These staff are employed by Shell International Limited, a fellow subsidiary undertaking, and all pension liabilities and costs arising on behalf of these employees are borne by them. Costs are recharged to the Company.

h) Cash flow statement

In accordance with the exemption allowed by paragraph 5(a) of Financial Reporting Standard 1, a cash flow statement for the Company has not been provided.

SHELL INTERNATIONAL RENEWABLES LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31 December 2003

1. Accounting policies (Continued)

i) Related party disclosures

In accordance with the exemption allowed by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with other member companies of the Royal Dutch/Shell Group or investees of the Group qualifying as related parties.

2. Turnover

Turnover is principally related, directly or indirectly, to the renewables businesses in Europe.

3. Profit on ordinary activities before taxation

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

	2003 £'000	2002 £'000
Staff costs:		
Wages and salaries	247	857
Social security costs	32	67
Other pension costs	18	-
	<u>297</u>	<u>924</u>
Operating lease rental charged:		
Other operating leases	2	9
Currency translation:		
Non-trading	(46)	31
Depreciation:		
On owned assets	-	11
Provision for bad debts	(12)	(73)
Auditors' remuneration for audit services	4	10
Profit on sale of fixed assets	-	(4)

The Company had no employees during 2003 (2002: Nil).

The average number of persons working on behalf of the Company in 2003 was 2 (2002: 8). The staff were employed by Shell International Limited and costs were charged to Shell International Renewables Limited.

Amounts charged for Non-trading currency translation losses in 2002 were incorrectly disclosed as £5,000 in Note 3 to the 2002 accounts. This has been amended in these accounts.

SHELL INTERNATIONAL RENEWABLES LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31 December 2003

4. Tax on profit on ordinary activities

The charge for the year of £13,000 (2002: £16,000) is made up as follows:

	2003 £'000	2002 £'000
United Kingdom corporation tax at the standard rate of 30% (2002: 30%)	15	17
Adjustments in respect of prior years	<u>(2)</u>	<u>(1)</u>
Total current tax charge	<u>13</u>	<u>16</u>
Total taxation charge	<u>13</u>	<u>16</u>

The tax assessed for the period differs from the standard rate of UK corporation tax (30%). The differences are explained below:

	2003 £'000	2002 £'000
Profit on ordinary activities before tax	<u>58</u>	<u>42</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2002: 30%)	17	13
Effects of:		
Income not assessable for tax purposes	(1)	-
Expenses not deductible for tax purposes	-	8
Accelerated capital allowances and other timing differences	(1)	(4)
Adjustment to tax charge in respect of previous year	<u>(2)</u>	<u>(1)</u>
Current tax charge for the year	<u>13</u>	<u>16</u>

SHELL INTERNATIONAL RENEWABLES LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31 December 2003

5. Debtors

	2003 Within 1 year £'000	2002 Within 1 year £'000
Amounts owed by Group undertakings:		
Parent undertaking	936	1,032
Fellow subsidiary undertakings	20	422
Other debtors	72	145
Taxation receivable	114	108
	<u>1,142</u>	<u>1,707</u>

6. Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Trade creditors	2	55
Amounts owed to Fellow subsidiary undertakings	100	-
Accruals and deferred income	125	782
	<u>227</u>	<u>837</u>

7. Commitments under operating leases

At 31 December 2003 the Company had annual commitments under operating leases as follows:

	2003 £'000	2002 £'000
Lease expiring between one and five years	<u>-</u>	<u>5</u>

8. Called up share capital

	2003 £'000	2002 £'000
Authorised		
1,000,000 (2002: 1,000,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000,000 (2002: 1,000,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

SHELL INTERNATIONAL RENEWABLES LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31 December 2003

9. Reconciliation of movements in reserves and shareholders' funds

	Share capital	Profit and loss account	Shareholders' funds
	£'000	£'000	£'000
At 1 January 2002	1,000	(156)	844
Retained profit for the year	-	26	26
At 1 January 2003	1,000	(130)	870
Retained profit for the year	-	45	45
At 31 December 2003	1,000	(85)	915

10. Directors

Information relating to Directors' emoluments and pensions pursuant to Section 232 of and Schedule 6 to the Companies Act 1985

Directors' emoluments

	2003 £	2002 £
Aggregate emoluments	-	833,762

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

	2003 Number	2002 Number
In respect of defined benefit schemes	-	2

No share options were exercised by Directors during the years (2002: Nil).

No shares were receivable by Directors during the year under long term incentive schemes (2002: Nil).

Highest paid Director

	2003 £	2002 £
Total amount of emoluments and amounts (excluding shares) receivable under long term incentive schemes	-	750,842
Defined benefit pension scheme:		
Accrued pension at end of year	-	145,816

These emoluments and pensions were borne by the company and charged in the profit and loss account.