

Registered in England and Wales 4099896

**SHELL PROPERTY ASIA LIMITED**

**DIRECTOR'S REPORT  
AND ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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## **SHELL PROPERTY ASIA LIMITED**

### **DIRECTOR'S REPORT**

The Director submits the annual report and audited accounts for the year ended 31 December 2009

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

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

The principal activity of the Company is to hold properties in Asia and, in particular, in Japan. It holds its only property in Kashima, Japan, acquired in December 2000.

The Company's loss for the financial year decreased from JPY 7,959,943 to JPY 3,049,672. The reduction in the loss is as a result of JPY 2,062,006 tax credit in 2009 (2008 JPY 2,002,143 tax charge).

### **Dividends**

The Director recommends that no dividend be paid for the year ended 31 December 2009 (2008 Nil).

### **DIRECTOR**

The Director of the Company, who served throughout the year and to the date of this report was

Shell Corporate Director Limited

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The Director is responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the Director to prepare accounts for each financial year. Under that law the director has elected to prepare the Company accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the accounts unless he or she is 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 those accounts, the Director is 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.

## **SHELL PROPERTY ASIA LIMITED**

### **DIRECTOR'S REPORT (continued)**

#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES (continued)**

The Director is 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. He or she is 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**

The Director in office at the date of approval of the Director's report confirms that so far as he or she 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. The Director 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.

#### **INDEPENDENT AUDITORS**

The Company has passed an Elective Resolution pursuant to section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors. As this Elective Resolution was in force before 1 October 2007 and has not been revoked or ceased to have effect, PricewaterhouseCoopers LLP will continue in office as auditors of the Company pursuant to section 487(2) of the Companies Act 2006 as amended by the Companies Act 2006 (Commencement No 3 Consequential Amendments, Transitional Provisions and Savings) Order 2007 SI2007/2194.

For the year ended 31 December 2009 the Company was entitled to small company exemption under Section 382 of the Companies Act 2006.

By order of the Board



C Bushay  
Authorised signatory for  
Shell Corporate Secretary Limited  
Company Secretary

~~April~~ 2010  
7<sup>th</sup> May

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SHELL PROPERTY ASIA LIMITED**

We have audited the accounts of Shell Property Asia Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Director's Responsibilities Statement set out on page 1,2 the director is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's member as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the accounts.

### **Opinion on accounts**

In our opinion the accounts

- Give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006


### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's report for the financial year for which the accounts are prepared is consistent with the accounts.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- The accounts are not in agreement with the accounting records and returns, or
- Certain disclosures of director's remuneration specified by law are not made, or
- We have not received all of the information and explanations we require for our audit



Lorraine Quinn (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

11 May 2010

**SHELL PROPERTY ASIA LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2009**

<b>Continuing operations</b>	<b>Note</b>	<b>2009 JPY</b>	<b>2008 JPY</b>
Administrative expenses		(5,957,800)	(5,957,800)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(5,957,800)</b>	<b>(5,957,800)</b>
Other interest receivable and similar income	2	846,122	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(5,111,678)</b>	<b>(5,957,800)</b>
Tax on loss on ordinary activities	4	2,062,006	(2,002,143)
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(3,049,672)</b>	<b>(7,959,943)</b>

The reported loss on ordinary activities and the loss for the year are presented on a historical cost basis

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

**SHELL PROPERTY ASIA LIMITED**  
**REGISTERED IN ENGLAND AND WALES: 4099896**  
**BALANCE SHEET**  
**As at 31 December 2009**

	Note	2009 JPY	2008 JPY
<b>FIXED ASSETS</b>			
Tangible assets	5	812,296,020	812,296,020
<b>CURRENT ASSETS</b>			
Debtors	6	219,846,252	219,076,918
		<u>219,846,252</u>	<u>219,076,918</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	7	(5,957,800)	(2,138,794)
<b>NET CURRENT ASSETS</b>		<u>213,888,452</u>	<u>216,938,124</u>
<b>NET ASSETS</b>		<u>1,026,184,472</u>	<u>1,029,234,144</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1,431,589,653	1,431,589,653
Profit and loss account	9	(405,405,181)	(402,355,509)
<b>TOTAL SHAREHOLDER'S FUNDS</b>	9	<u>1,026,184,472</u>	<u>1,029,234,144</u>

The accounts on pages 4 to 10 were approved by the Director on <sup>7th May</sup> ~~31st May~~ 2010 and were signed on its behalf by

*S Constant-Glemas*

S Constant-Glemas  
 Authorised signatory for  
 Shell Corporate Director Limited  
 Director

# **SHELL PROPERTY ASIA LIMITED**

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2009**

### **1 Accounting policies**

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

The accounts have been prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 2006, applicable Accounting Standards in the UK, and the accounting policies as described below. The accounting policies have been consistently applied. There have been no changes in accounting policies in 2009.

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

The immediate parent company is The Shell Petroleum Company Ltd (SPCO).

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 group of undertakings to consolidate these accounts at 31 December 2009. The consolidated accounts of Royal Dutch Shell plc are available from

Royal Dutch Shell plc  
c/o Bankside  
Tel +44 (0)1635 232700  
email [bbs@shellbankside.co.uk](mailto:bbs@shellbankside.co.uk)

#### **c) Tax**

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.

#### **d) Foreign currency translation**

Income and expense items denominated in foreign currencies are translated into Japanese Yen ("JPY") at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been expressed in Japanese Yen at the rates of exchange ruling at year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities that have been measured at fair value in a foreign currency are translated using exchange rates at the date when fair value was determined. No subsequent translations are made once this has occurred.

As at 31 December 2009 the rate of exchange to Great British Pounds ("GBP") was JPY 148.95 GBP 1 (2008 JPY 130.60 GBP 1).

**SHELL PROPERTY ASIA LIMITED**  
**NOTES TO THE ACCOUNTS (continued)**  
**For the year ended 31 December 2009**

**1 Accounting policies (continued)**

**e) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation 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. Impairments thus arising are 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 freehold land. In 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.

**f) 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.

**g) Related party disclosures**

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

**2 Other interest receivable and similar income**

	<b>2009</b>	<b>2008</b>
	<b>JPY</b>	<b>JPY</b>
Profit on currency translation	<u>846,122</u>	<u>-</u>



**SHELL PROPERTY ASIA LIMITED**  
**NOTES TO THE ACCOUNTS (continued)**  
**For the year ended 31 December 2009**

**3 Loss on ordinary activities before taxation**

Audit fees of GBP 7,902 (2008 GBP 7,853) were paid by a fellow subsidiary undertaking on behalf of the Company, in respect of audit work performed in the UK

No fees were paid to the auditor in respect of any other work (2008 nil)

The Director did not receive any emoluments (2008 nil) in respect of services to the Company

The Company had no employees during 2009 (2008 none)

**4 Tax on loss on ordinary activities**

The credit for the year of JPY 2,062,006 (2008 Charge of JPY 2,002,143) is made up as follows

	<b>2009 JPY</b>	<b>2008 JPY</b>
UK corporation tax at the standard rate of 28% (2008 28.5%)	(1,269,730)	69,956
Adjustment in respect of prior years	(792,276)	1,932,187
Total current tax (credit)/charge	<u>(2,062,006)</u>	<u>2,002,143</u>

The tax assessed for the year differs from the standard rate of UK corporation tax (2008 28.5%)  
The differences are explained below

	<b>2009 JPY</b>	<b>2008 JPY</b>
Loss on ordinary activities before taxation	5,111,678	5,957,800
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2008 28.5%)	(1,431,270)	(1,697,974)
Effects of		
Tax on imputed interest	161,540	1,767,930
Adjustments to tax charge in respect of prior years	(792,276)	1,932,187
Current tax (credit)/charge for the year	<u>(2,062,006)</u>	<u>2,002,143</u>

The corporation tax rate for non-upstream companies was 28% for current tax in the year to 31 December 2009

**SHELL PROPERTY ASIA LIMITED**  
**NOTES TO THE ACCOUNTS (continued)**  
**For the year ended 31 December 2009**

**5. Tangible assets**

	<b>Freehold land JPY</b>
<b>Cost</b>	
Balance at 1 January 2009 and 31 December 2009	1,161,802,400
<b>Amounts Provided</b>	
Balance at 1 January 2009 and 31 December 2009	(349,506,380)
<b>Net book amount</b>	
At 31 December 2008 and 31 December 2009	812,296,020

**6 Debtors**

	<b>2009 Within 1 Year JPY</b>	<b>2008 Within 1 Year JPY</b>
Amount owed by Parent undertaking	218,646,478	219,076,918
Tax Receivable	1,199,774	-
	<u>219,846,252</u>	<u>219,076,918</u>

**7 Creditors: amounts falling due within one year**

	<b>2009 Within 1 Year JPY</b>	<b>2008 Within 1 Year JPY</b>
Amount owed to Fellow subsidiary undertaking	5,957,800	-
UK corporation tax payable	-	2,138,794
	<u>5,957,800</u>	<u>2,138,794</u>

**8 Called up share capital**

	<b>2009 JPY</b>	<b>2008 JPY</b>
<b>Authorised</b>		
8,000,000 (2008 8,000,000) ordinary shares of £1 (JPY 178 949) each	1,431,589,653	1,431,589,653
<b>Allotted and fully paid</b>		
8,000,000 (2008 8,000,000) ordinary shares of £1 (JPY 178 949) each	1,431,589,653	1,431,589,653

**SHELL PROPERTY ASIA LIMITED**  
**NOTES TO THE ACCOUNTS (continued)**  
**For the year ended 31 December 2009**

**9 Reconciliation of movements in reserves and shareholder's funds**

	<b>Shareholders' Funds JPY</b>
At 1 January 2008	1,037,194,087
Loss for the year	(7,959,943)
At 1 January 2009	<u>1,029,234,144</u>
Loss for the year	(3,049,672)
At 31 December 2009	<u>1,026,184,472</u>