

Registered in England and Wales: 4973913

SHELL SAUDI VENTURES LIMITED

DIRECTORS' REPORT

AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

SHELL SAUDI VENTURES LIMITED

STRATEGIC REPORT

The Directors present their strategic report on Shell Saudi Ventures Limited (also referred to as the "Company") for the year ended 31 December 2014.

The Company 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 England and Wales, 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 and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

BUSINESS REVIEW

The Company is a holding company for a 50% investment in South Rub Al-Khali Company Limited ("SRAK"), a company with exploration activities in Saudi Arabia. The Company has made a profit for the financial year of USD 3,119,000 (2013: USD 76,744,000 loss). This was due to the partial release of a provision for costs made in 2013 in relation to the SRAK investment following the decision by the Company to extract itself from this investment, with the actual costs being slightly lower than expected and some of the anticipated cost being recovered from group companies.

The entity is currently reporting a net assets/ (liabilities) of USD 561,000 (2013: (USD 26,058,000)). During the period 1 January 2015 to 30 March 2015, the Company had issued 0.3 million ordinary shares of USD 1 each amounting to USD 0.3 million and further additional equity shares will be issued to its shareholder B.V. Dordtsche Petroleum Maatschappij as and when required which will enable the Company to meet its liabilities as they fall due.

The shareholders of the Company approved the transition of the financial statements to a new reporting framework, Financial Reporting Standard 101. This has resulted in the adoption of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure, with disclosure exemptions taken on the basis of equivalent disclosures in Royal Dutch Shell Plc's Annual Report and Form 20-F.

Principal Risks and Uncertainties

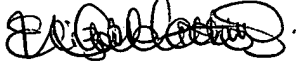
The Shell Group has a single risk based control framework – The Shell Control Framework – to identify and manage risks. The Shell Control Framework applies to all wholly owned Shell companies and to those ventures and other companies in which Royal Dutch Shell has directly or indirectly a controlling interest. 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 11 to 14 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2014 (the "Group Report"), include those of the Company. (The Group Report does not form part of this report).

SHELL SAUDI VENTURES LIMITED
STRATEGIC REPORT (continued)

Key Performance Indicators

Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Gas and Power 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 23 to 51 of the Group Report and the key performance indicators through which the Group's performance is measured are as set out on pages 20 to 21 of the Group Report.

By order of the Board



Elizabeth Williams
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary

9 June 2015

SHELL SAUDI VENTURES LIMITED

DIRECTORS' REPORT

The Directors present their report and audited accounts for the year ended 31 December 2014.

The Directors' report and audited accounts of the 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 2014 (2013: USD nil).

Future Outlook

The Company continues to write down the entire investment in South Rub Al-Khali Company Limited (SRAK) as the investment is no longer a profitable or viable investment. On November 10, 2013, the Shareholders of SRAK have resolved to voluntarily cease its commercial operations (prior to completion of the minimum work program of the Second Exploration Program) and have submitted on 17 July 2014 a request to the Ministry of Petroleum and Mineral Resources (MinPet) to confirm the withdrawal from the Upstream Project Agreement for which MinPet's approval has been granted on 19 March 2015.

The Directors intend to initiate the liquidation of the Company within the next financial year and accordingly the going concern basis of preparation is no longer considered to be appropriate. No adjustments were required in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision.

DIRECTORS

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

E.M. Verdonk	
F.H. Lemmink	Appointed 17 December 2014
J. Osborne	Resigned 16 December 2014
J. Wilson	Appointed 29 July 2014
G.J. Archibald	
S. Constant – Glemas	Resigned 12 March 2015

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 70 to 71 and note 19).

SHELL SAUDI VENTURES LIMITED

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, Strategic Report and the Company's accounts in accordance with applicable laws 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 judgments 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
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Notify the Company's shareholders in writing with regards to the use of the FRS 101 disclosure exemptions used in the preparation of the statutory accounts.

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 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



Elizabeth Williams
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary

9 June 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL SAUDI VENTURES LIMITED

Report on the financial statements

Our opinion

In our opinion, Shell Saudi Ventures Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of accounting. Following the year end the Directors have decided that the company will cease trading during the next financial year. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these accounts to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify long-term liabilities as current liabilities.

What we have audited

Shell Saudi Ventures Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity; 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

Opinion on other 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 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.

We have no exceptions to report arising from this responsibility.

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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL SAUDI VENTURES LIMITED (continued)

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.

What an audit of financial statements involves

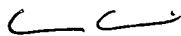
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

- whether the accounting policies are appropriate to the 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 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.



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

May 2015

10 June

SHELL SAUDI VENTURES LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2014

Discontinued operations	Note	2014 USD '000	2013 USD '000
Other income/ (Administrative expenses)	3	3,499	(26,498)
OPERATING PROFIT/(LOSS)		3,499	(26,498)
Amounts provided against investments		-	(49,500)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		3,499	(75,998)
Interest receivable and similar income		-	79
Interest payable and similar charges	3	(53)	-
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	3,446	(75,919)
Tax on profit/ (loss) on ordinary activities	4	(327)	(825)
PROFIT/ (LOSS) FOR THE YEAR		3,119	(76,744)

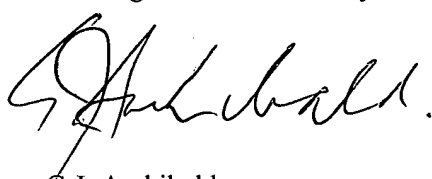
There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

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 SAUDI VENTURES LIMITED
REGISTERED IN ENGLAND AND WALES: 4973913
BALANCE SHEET
As at 31 December 2014

	Note	2014 USD '000	2013 USD '000
FIXED ASSETS			
Investments	5	-	-
CURRENT ASSETS			
Debtors	6	1,273	634
		1,273	634
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(127)	(2,281)
PROVISION FOR LIABILITIES	8	(585)	-
NET CURRENT ASSETS/(LIABILITIES)		561	(1,647)
TOTAL ASSETS LESS CURRENT LIABILITIES		561	(1,647)
PROVISION FOR LIABILITIES	8	-	(24,411)
NET ASSETS/(LIABILITIES)		561	(26,058)
EQUITY			
Called up share capital	9	676,701	653,201
Profit and loss account		(676,140)	(679,259)
TOTAL EQUITY		561	(26,058)

The accounts on pages 7 to 17 were approved by the Board of Directors on 27 May 2015 and were signed on its behalf by:



G.J. Archibald
Director

9 June 2015

SHELL SAUDI VENTURES LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

	Called-up Share Capital USD '000	Retained earnings USD '000	Total USD '000
Balance as at 1 January 2013	602,401	(602,515)	(114)
Proceeds from shares issued	50,800	-	50,800
Loss for the year	-	(76,744)	(76,744)
Balance as at 1 January 2014	653,201	(679,259)	(26,058)
Proceeds from shares issued	23,500	-	23,500
Profit for the year	-	3,119	3,119
Balance as at 31 December 2014	676,701	(676,140)	561

SHELL SAUDI VENTURES LIMITED
NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2014

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 (UK)

1. Summary of significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"), which involves the application of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure. 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.

As applied to the Company, there are no differences between EU endorsed IFRS and IFRS as issued by the International Accounting Standards Board.

This represents the Company's first application of IFRS and the accounting policies are set out in note 1(a) - (i).

IFRS 1 'First-time Adoption of International Financial Reporting Standards' requires an entity develop accounting policies based on the standards and related interpretations effective at the reporting date of its first annual IFRS financial statements, being 31 December 2014. IFRS 1 also requires that those policies be applied as of the transition date to IFRS (1 January 2013) and throughout all the periods presented in the first IFRS financial statements. In regards to recognition and measurement, there are no differences between IFRS financial statements and those prepared under FRS 101.

The financial statements of the Company for 2013 were prepared in accordance with UK Generally Accepted Accounting Principles ("UK GAAP"); accounting policies were set out in note 1(a) to (i) to those financial statements. UK GAAP differs in certain respects to FRS 101. There is no effect of the transition from UK GAAP to FRS 101 and no reconciliations of Equity have been disclosed.

As part of the Company's adoption of FRS 101, no elections have been made under IFRS 1.

The policies set out in note 1(a) - (i) have been consistently applied to all periods presented.

SHELL SAUDI VENTURES LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2014

1. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements'

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cashflow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third balance sheet);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

b) Consolidation

Group accounts of the Company and its subsidiary undertakings and its participating undertakings have not been prepared. The Company is exempt from the requirement to prepare group accounts under the provisions of Section 400 of the Companies Act 2006. The accounts present information about the Company as an individual undertaking and not about its group.

The immediate parent companies are Shell Austria Gesellschaft.m.b.h holding 74%, a company registered in Austria, and B.V. Dordtsche Petroleum Maatschappij holding 26%, a company registered in the Netherlands.

SHELL SAUDI VENTURES LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2014

1. Summary of significant accounting policies (continued)

b) Consolidation (continued)

The ultimate parent company and controlling company is Royal Dutch Shell plc, which is incorporated in England and Wales. Royal Dutch Shell plc is the parent undertaking of the largest and smallest group to consolidate these accounts.

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) Fundamental accounting concept

The Balance Sheet at 31 December 2014 reports a net asset of USD 561,000 (2013: liability of USD (26,058,000)). The Directors intend to initiate the liquidation of the Company within the next financial year and accordingly the going concern basis of preparation is no longer considered to be appropriate. No adjustments were required in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision.

d) Corporation Tax

The Company records a tax charge or credit in the profit and loss account except to the extent that it relates to items recognized in other comprehensive income or directly in equity which is 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) 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 'US Dollars' (USD), which is also the company's functional currency.

ii. Transaction and balances

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

Monetary assets and liabilities recorded in foreign currencies have been expressed in US Dollars 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 transaction. No subsequent translations are made once this has occurred.

Foreign currency amounts have been translated at USD 1.5574: £ 1 (2013: USD 1.6526: £ 1), being the relevant exchange rate prevailing at the balance sheet date.

SHELL SAUDI VENTURES LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2014

1. Summary of significant accounting policies (continued)

f) Investment in subsidiaries and participating undertakings

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 IAS 36. Any impairments are recorded in the profit and loss account.

g) Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are recognised at management's best estimate of the expenditure expected to settle the present obligation. Non-current amounts are discounted at a rate intended to reflect the time value of money. The present value is calculated using amounts discounted at a pre-tax rate over the period to the date the obligation is expected to be settled.

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) Related party disclosures

In accordance with the exemption allowed by FRS 101, no disclosure is made of transactions with wholly owned companies of the Shell Group.

2. Critical accounting estimates and judgements

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.

SHELL SAUDI VENTURES LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2014

2. Critical accounting estimates and judgements (continued)

Impairment of investments

For the purposes of determining whether impairment of investments has occurred, and the extent of any impairment or its reversal, management review a range of measures relating to the underlying entity's performance, including the net present value of future cash flows. In assessing these measures, management make a number of assumptions relating (but not restricted) to future oil and gas prices, expected production volumes and refining margins appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates.

3. Profit on ordinary activities before taxation

The Company had no employees during 2014 (2013: none).

None of the Directors received any emoluments in respect of their services to the Company (2013: none.)

Other income/Administrative expenses include the partial release of a provision for costs made in 2013 in relation to the SRAK investment following the decision by the Company to extract itself from this investment, with the actual costs being slightly lower than expected.

Interest payable and similar charges represent the loss on currency translation during the year.

The Auditors' remuneration of £13,155 (2013: £14,184) in respect of the statutory audit was borne by other group companies for both the current and preceding years.

Fees paid to PricewaterhouseCoopers LLP and its associates for non-audit services to the Company itself are not disclosed in the individual accounts of Shell Saudi Ventures Limited because the Royal Dutch Shell plc consolidated accounts are required to disclose such fees on a consolidated basis.

4. Tax on profit/(loss) on ordinary activities

(a) Tax charge included in profit or loss

The tax charge for the year of USD 326,505 (2013: 825,000) is made up as follows:

	2014 USD '000	2013 USD '000
UK corporation tax credit on results for the period	(67)	(860)
Adjustments in respect of prior years	394	1,685
Total current tax charge	<u>327</u>	<u>825</u>

SHELL SAUDI VENTURES LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2014

4. Tax on profit/(loss) on ordinary activities (continued)

(b) Reconciliation of total tax charge

The tax assessed for the year differs from the standard effective rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 USD '000	2013 USD '000
Profit/(loss) on ordinary activities before taxation	3,446	(75,919)
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 21.5% (2013: 23.25%)	741	(17,651)
Effects of:		
Income not assessable	(4,902)	-
Expenses not deductible	95	5,282
Amount written off investments	3,999	11,509
Adjustments in respect of prior years	394	1,685
Total tax on profit on ordinary activities	327	825

The average main rate of UK Corporation tax for the year to 31 December 2014 was 21.5% for current tax in the year to 31 December 2014 (2013: 23.25%).

(c) Factors affecting current and future tax charges

Changes to the UK corporation tax rate were introduced by the UK Finance Act 2012, including a reduction to the UK main corporation tax rate to 24% effective as from 1 April 2012 and a further tax rate reduction to 23% effective as from 1 April 2013. Further changes reducing the UK corporation tax rate to 21% effective from 1 April 2014, and to 20% effective from 1 April 2015 were introduced by the Finance Act 2013 and enacted on 17 July 2013.

5. Investments

Cost	Participating undertaking Shares USD '000
Balance at 1 January 2014	631,183
Additions	18,600
Balance at 31 December 2014	649,783
Amounts written off	
Balance at 1 January 2014	(631,183)
Additions	(18,600)
Balance at 31 December 2014	(649,783)
Net book amount	
At 31 December 2014	-
At 31 December 2013	-

SHELL SAUDI VENTURES LIMITED**NOTES TO FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2014****5. Investments (continued)**

The investment relates to a holding of ordinary shares of South Rub Al-Khali Company Limited, an exploration joint venture in Saudi Arabia. Information pursuant to SI 2008/410 Schedule 4 is as follows:

	Country of incorporation	Class of share	Principal activity	% of shares held directly
South Rub Al-Khali Company Limited	Bermuda	Ordinary	Exploration	50%

An impairment review has been performed and the investment has been written down to nil. The amount written off were provided for in 2013 following the decision by the shareholders of SRAK to cease commercial operations on 10 November 2013. The full amounts provided for are disclosed in note 8.

6. Debtors

	2014 Within 1 Year USD '000	2013 Within 1 Year USD '000
Amounts owed by Group undertakings:		
Fellow subsidiary undertakings	272	-
Other debtors	1,001	-
Tax receivable	-	634
	<u>1,273</u>	<u>634</u>

7. Creditors: amounts falling due within one year

	2014 USD '000	2013 USD '000
Amounts owed to Group undertakings:		
Fellow subsidiary undertakings	1	2,281
Tax payable	126	-
	<u>127</u>	<u>2,281</u>

SHELL SAUDI VENTURES LIMITED
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

8. Provision for liabilities

	2014
	USD '000
Balance at 1 January 2014	24,411
Utilisation of provision	(20,181)
Released to profit and loss account	(3,645)
Balance at 31 December 2014	<u>585</u>

Opening balance includes USD 1.6 million relating to a provision for SRAK payroll costs and USD 18.6 million of committed investment costs which has been fully utilised in 2014.

As disclosed in note 5, following the decision by the shareholders of SRAK to cease commercial operations, a provision for liabilities of the Company's contractual commitment to fulfill its obligations towards South Rub Al-Khali Company Limited up to the point that the agreement is terminated was created in 2013. This amount is expected to be utilised in 2015.

9. Called up share capital

	2014	2013
	USD '000	USD '000
Authorised		
676,700,616 (2013: 656,900,000) ordinary shares of USD 1 each	<u>676,701</u>	<u>656,900</u>
Allotted and fully paid		
676,700,616 (2013: 653,200,616) ordinary shares of USD 1 each	<u>676,701</u>	<u>653,201</u>

During the year 23,500,000, ordinary shares were issued for cash. The nominal value of these shares was USD 1 and the consideration received was USD 23,500,000.

10. Guarantees provided by other Shell Companies

Shell Petroleum N.V. a company of Royal Dutch Shell plc, has guaranteed the performance of obligations of SRAK towards the Government of the Kingdom of Saudi Arabia. Based on the withdrawal process and Government acceptance, the Company is of the opinion that SRAK has completed its obligations and commitments up to the withdrawal confirmation. Shell Petroleum N.V. will attempt to seek the formal release of this guarantee.

11. Financial commitments

At 31 December 2014, the Company had no (2013: nil) financial commitments, other than those shown on the Balance Sheet, towards its investment in South Rub Al-Khali Limited.

12. Post balance sheet event

From 1 January 2015 to 30 March 2015, the Company issued 0.3 million ordinary shares of USD 1 each amounting to USD 0.3 million.