

## **The Shell Company (W.I) Limited**

### **Directors' report for the year ended 31 December 2020 (continued)**

#### **Going concern**

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Company can continue in operational existence over the period to 30 September 2022 (the 'going concern period'). The Directors have considered the potential risks and uncertainties relating to COVID-19 and Brexit impact on the Company's business, credit, market, and liquidity position. Based on the above, together with the Directors knowledge and experience of the market, the Directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2020.

#### **Section 172(1) statement/Statement of stakeholder interests**

The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which may affect the long-term success of the company.

This Section 172 Statement, explains how the Directors have acted in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- the likely consequences of any decision in the long term and the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- employee interests, the need to foster the Company's business relationships with suppliers, customers, and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year.

## **The Shell Company (W.I) Limited**

### **Directors' report for the year ended 31 December 2020 (continued)**

Ahead of matters being put to the Company Board for consideration, significant levels of engagement are often undertaken by the broader business ahead of many of Shell projects or activities. This engagement is often governed by formulated policies, control frameworks, regulation, legislation and may differ by region. Dependent on the project or activity, Board members may participate in this engagement.

The Company is a member of the Shell Group, an organisation which follows a highly developed and formalised governance and oversight framework, which includes but is not limited to Group policies such as the Shell General Business Principles (which sets out the Shell Group's responsibilities to shareholders, customers, employees, business partners and society) and the Shell Code of Conduct.

The strategy of the Company is considered to be derived from those of the Shell Group, which is discussed on pages 18 - 21 of the Royal Dutch Shell plc 2020 Annual Report. The Shell Group internally organises its activities principally along business and function lines but transacts its business through legal entities. This organisation structure is designed to achieve Shell's overall business objectives, whilst respecting the separate legal identity of the individual Shell companies through which it is implemented and the independence of each legal entity's Board of Directors.

#### **Directors of the Company**

The Directors, who held office during the year, and to the date of this report (except as noted) were as follows:

Philip Thomas Edward Sanderson (resigned 31 March 2021)

Douglas Moray Alexander (resigned 30 June 2021)

The following directors were appointed after the year end:

Roland Alexander Ilube (appointed 31 March 2021)

CJ J Akwaeze (appointed 30 June 2021)

#### **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 186 to 188 and note 19).

#### **Streamlined Energy and Carbon Reporting**

The directors are aware of the requirements for large UK companies to report on their UK energy use and carbon emissions. The company's energy usage and greenhouse gas emissions form part of the overall Shell Group results. The climate change and energy transition strategy and disclosures are discussed on pages 94 to 107 of the Group Report with greenhouse gas emissions and energy usage being set out on pages 106 to 107.

## **The Shell Company (W.I) Limited**

### **Directors' report for the year ended 31 December 2020 (continued)**

#### **Events after the end of the reporting period**

##### **a) Additional issue of equity shares:**

On April 28, 2021, the Company issued GBP equivalent of USD 8,000,000 in ordinary shares of GBP 10 each to Shell Overseas Holdings Limited, its immediate parent undertaking. As a result of this, the Company's allotted, issued and fully paid up share capital increased to USD 12,414,004.

##### **Payment made to tax authorities towards a pending claim:**

On February 19, 2021, by application No. 2366435, the Dominican Republic Branch requested the Directorate General of Internal Revenue (DGII) for application of Act No. 46-20 Transparency and Asset Revaluation and its modifications, which was created to facilitate entities to settle outstanding disputes with the DGII. The Branch requested the same in order to resolve the Determination Resolution no. GGC -FI No. 2947 wherein the (DGII) had requested a payment of USD 56,466,240 (RD\$ 3,282,920,910). The Branch requested the DGII to conclude the case for an amount of USD 14,620,000 (RD\$ 848,398,600). This application was approved on February 22, 2021.

On April 28, 2021, the Branch received an amount of USD 7,064,000 (RD\$ 409,923,920) from Shell Company Overseas Holdings Limited as part of its debt settlement, and received a capital contribution of USD 8,000,000 (RD\$ 455,599,601) from the proceeds of equity shares issued by the Company to Shell Overseas Holding Limited, to settle the obligation with the DGII. On May 4, 2021, the Branch made the payment of US\$14,620,000 (RD\$ 865,523,521) to the Directorate General of Internal Revenue (DGII).

##### **b) Additional provision in The Shell Company (W.I) Limited - Dominican Republic Branch**

The Company is a party to a claim for damages arising from a contract dispute. The Company believes that a provision of RD\$30,175,600 (US\$ 520,000) should be recognized as at 31 December 2020 based on the unfavourable legal position as of September 2021 with respect to the case.

#### **Branches outside of United Kingdom**

The Company operates branches in Dominican Republic and Panama. The Dominican Republic branch of the Company ceased operations on 12 May 2011 and the Panama Branch ceased operations on 27 December 2010. Management intends to keep these Branch in discontinued status until the open legal cases are resolved. Accordingly, the accounts of these branches, since the day of cessation of operations, are classified as discontinued operations.

#### **Statement of Directors' responsibilities**

The Directors acknowledge their responsibilities for preparing the Directors' report and the Company's financial statements in accordance with applicable laws and regulations.

## The Shell Company (W.I) Limited

### Directors' report for the year ended 31 December 2020 (continued)

#### Statement of Directors' responsibilities (continued)

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements 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 financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 financial statements 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 the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on <sup>23 September 2021</sup> ..... and signed on its behalf by:

DocuSigned by:  
  
1853814A47D4E8.....  
Robert J Hinton  
Authorised signatory for  
Shell Corporate Secretary Limited  
Company secretary