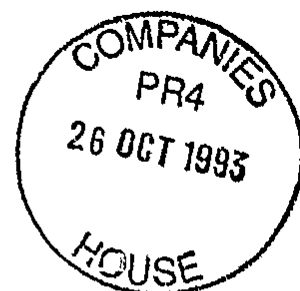


**BURGESS FUELS LIMITED**  
**(REGISTERED NUMBER 2179856)**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 December 1992**



## **BURGESS FUELS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1992**

The directors present their report and the audited accounts of the company for the year ended 31 December 1992.

#### **REVIEW OF THE BUSINESS**

The company's main activities are the distribution and sale of petroleum products and lubricants and the sale, installation and maintenance of heating and ancillary equipment. Future trading and growth is expected to improve as a result of the company's recent reorganisation.

#### **RESULTS AND DIVIDENDS**

During the year the company made a loss after taxation of £126,452 (1991 profit of £3,212) which has been transferred to accumulated reserves. The directors do not recommend the payment of a dividend.

#### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year to 31 December 1992 and the changes subsequent to the year end are:

DH Gillon	(Chairman)	(resigned 5 April 1993)
SM Earnshaw		(resigned 5 February 1993)
RD Breddy		(resigned 20 August 1992)
MJ Daman		(resigned 5 February 1993)
KS Dixon		(appointed 20 August 1992)
LD Erasmus		(appointed 5 February 1993)
D Ritchie	(Chairman)	(appointed 5 April 1993)

None of the directors have any disclosable interests in shares or debentures of group companies at the beginning or end of the period.

None of the directors had any interest direct, or indirect, in any contract entered into by the company.

#### **FIXED ASSETS**

Movements in fixed assets are described in notes 7 and 8 to the accounts.

#### **HEALTH AND SAFETY**

There were no incidents during the year that contravened the Health and Safety at Work Act.

**BURGESS FUELS LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1992 (CONTINUED)**

**AUDITORS**

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



Secretary

26 July 1993

*Price Waterhouse*



**AUDITORS' REPORT TO THE MEMBERS OF  
BURGESS FUELS LIMITED**

We have audited the financial statements on pages 4 to 15 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1992 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

**PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditor**

26 July 1993

# **BURGESS FUELS LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1992**

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
<b>TURNOVER</b>	<b>2</b>	<b>7,498,091</b>	<b>6,330,666</b>
Cost of sales		<u>(6,055,834)</u>	<u>(5,089,340)</u>
<b>GROSS PROFIT</b>		<b>1,442,257</b>	<b>1,241,326</b>
Distribution costs		<u>(1,002,463)</u>	<u>(828,749)</u>
Administration expenses		<u>(486,292)</u>	<u>(383,982)</u>
Other operating income		<u>18,892</u>	<u>21,134</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<b>(27,606)</b>	<b>49,729</b>
Net interest payable	<b>4</b>	<u>(31,742)</u>	<u>(31,597)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS</b>		<b>(59,348)</b>	<b>18,132</b>
Exceptional charge	<b>5</b>	<u>(80,177)</u>	<u>-</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(139,525)</b>	<b>18,132</b>
Tax on (loss)/profit on ordinary activities	<b>6</b>	<u>13,073</u>	<u>(14,920)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>	<b>15</b>	<b>(£126,452)</b>	<b>£3,212</b>

# BURGESS FUELS LIMITED

## BALANCE SHEET - 31 DECEMBER 1992

	Notes	1992	1991
<b>FIXED ASSETS</b>			
Intangible assets	7	228,982	259,003
Tangible assets	8	<u>290,774</u>	<u>363,891</u>
		519,756	622,894
<b>CURRENT ASSETS</b>			
Stocks	9	102,727	113,596
Debtors	10	825,127	1,089,438
Cash at bank and in hand		<u>166,268</u>	<u>481</u>
		1,094,122	1,203,515
<b>CREDITORS (amounts falling due within one year)</b>	11	<u>(1,069,528)</u>	<u>(1,131,318)</u>
<b>NET CURRENT ASSETS</b>		24,594	72,197
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£544,350</u>	<u>£695,091</u>
<b>CREDITORS (amounts falling due after more than one year)</b>	12	667,543	678,932
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	13	-	12,900
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	100	100
Profit and loss account	15	<u>(123,293)</u>	<u>3,159</u>
		£544,350	£695,091

Approved by the Board on <sup>26<sup>th</sup></sup> July 1993

DIRECTOR

LD Erasmus

*Carole Erasmus*

## BURGESS FUELS LIMITED

### NOTES TO THE ACCOUNTS - 31 DECEMBER 1992

#### 1 ACCOUNTING POLICIES

##### Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired and is amortised in equal annual instalments at 10% per annum.

##### Depreciation

Tangible fixed assets are written off in equal annual instalments over their estimated useful lives. The rates of depreciation per annum applicable to each category of asset are as follows:

Plant and machinery	10%
Commercial vehicles	12½%
Motor cars	25%
Office equipment	10%

##### Stocks

Stocks are valued at the lower of cost and net realisable value.

##### Deferred taxation

The company provides for deferred taxation, using the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and the treatment for taxation purposes. Provision is made to the extent that there is a reasonable probability that such tax will become payable in the foreseeable future.

##### Operating leases

Payments under operating leases are charged to the profit and loss account as they fall due.

##### Pensions

It is the policy of the company to provide for pension liabilities by payments to trusts or insurance companies independent from the finances of the company.

The company has a defined benefit pension scheme and contributions are charged to the profit and loss account so as to spread the regular cost over the average service lives of employees in accordance with the advice of qualified actuaries. Actuarial surpluses and deficits are spread forward over the average remaining service lives of employees.

# BURGESS FUELS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### Finance Leases

Leasing payments are treated as consisting of a capital element and finance costs, the capital element reducing the obligation to the lessor and the finance charges being written off to the profit and loss account over the period of the lease. The assets are depreciated over the shorter of their estimated useful lives and the lease periods.

#### Cash flow statement

The parent company, Shell UK Limited, has included a cash flow statement in its financial statements for the year ended 31 December 1992. Under paragraph 8c of Financial Reporting Standard 1 no cash flow statement is required in the accounts of this company.

### 2 TURNOVER

The company's turnover represents sales of petroleum and heating products, excluding Value Added Tax, within the United Kingdom during the period.

### 3 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	<u>1992</u>	<u>1991</u>
Staff costs:		
Wages and salaries	702,656	596,247
Social security costs	63,142	51,109
Other pension costs	<u>37,308</u>	<u>33,079</u>
	<u>£803,106</u>	<u>£680,435</u>
Amortisation of goodwill	£30,021	£21,305
Depreciation	£106,763	£65,126
Auditors' remuneration	£5,000	£5,000
Profit on sale of tangible fixed assets	(£6,238)	(£7,703)
Operating lease rentals	<u>£20,556</u>	<u>£18,708</u>



# BURGESS FUELS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)

4	NET INTEREST PAYABLE	<u>1992</u>	<u>1991</u>
	Interest payable on bank overdraft	14,873	30,636
	Interest payable on finance leases	17,682	961
	Interest receivable	<u>(813)</u>	<u>-</u>
		<u>£31,742</u>	<u>£31,597</u>
5	EXCEPTIONAL CHARGE	<u>1992</u>	<u>1991</u>
	Restructuring costs	£80,177	£-
	Restructuring costs principally comprise redundancy payments.		
6	TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>1992</u>	<u>1991</u>
	Taxation on the (loss)/profit for the period:		10,720
	UK corporation tax at 33% (1991 - 33.25%)	(173)	-
	- current year		
	- prior year	(9,024)	4,200
	Deferred tax	<u>(3,876)</u>	<u>-</u>
	- current year		
	- prior year	<u>(£13,073)</u>	<u>£14,920</u>

# BURGESS FUELS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)

7

### INTANGIBLE ASSETS

<u>Cost</u>	<u>Goodwill</u>
At 1 January 1992	300,208
Additions	-
At 31 December 1992	300,208
<u>Amortisation</u>	
At 1 January 1992	41,205
Charge for the year	30,021
At 31 December 1992	71,226
<u>Net book amount</u>	
At 31 December 1992	£228,982
At 31 December 1991	£259,003

# **BURGESS FUELS LIMITED**

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)**

### **8 TANGIBLE ASSETS**

	<u>Plant and machinery</u>	<u>Commercial vehicles</u>	<u>Motor cars</u>	<u>Office equipment</u>	<u>Total</u>
<u>Cost</u>					
At 1 January 1992	23,158	303,608	68,418	61,717	456,901
Additions	16,814	19,851	12,320	-	48,985
Disposals	-	(1,236)	(28,754)	-	(30,150)
At 31 December 1992	39,972	322,063	51,984	61,717	475,736
<u>Accumulated depreciation</u>					
At 1 January 1992	3,730	62,696	17,922	8,662	93,010
Charge for the period	3,525	73,055	18,431	11,752	106,763
Disposals	-	(808)	(14,003)	-	(14,811)
At 31 December 1992	7,255	134,943	22,350	20,414	184,962
<u>Net book amount</u>					
At 31 December 1992	£32,717	£187,120	£29,634	£41,303	£290,774
At 31 December 1991	£19,428	£240,912	£50,496	£53,055	£363,891

The costs of tangible fixed assets held under finance leases at 31 December 1992 was £136,154 (1991 - £95,687) and accumulated depreciation thereon was £27,837 (1991 - £8,631).

### **9 STOCKS**

	<u>1992</u>	<u>1991</u>
Goods for resale	£102,727	£113,596

# **BURGESS FUELS LIMITED**

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)**

### **10 DEBTORS**

	<u>1992</u>	<u>1991</u>
Trade debtors	731,588	1,013,083
Amounts due from group undertakings	1,680	3,969
Other taxation and social security	55,161	1,964
Prepayments and accrued income	35,418	70,422
Other debtors	<u>1,280</u>	<u>-</u>
	<u>£825,127</u>	<u>£1,089,438</u>

### **11 CREDITORS (amounts falling due within one year)**

	<u>1992</u>	<u>1991</u>
Bank overdraft	-	170,471
Trade creditors	279,240	199,189
Amounts owed to group undertakings	647,589	625,637
Corporation tax	13,147	13,320
Other taxation and social security	33,088	18,362
Other creditors	8,755	-
Accruals and deferred income	45,955	76,759
Finance lease obligations	<u>41,754</u>	<u>27,580</u>
	<u>£1,069,528</u>	<u>£1,131,318</u>

The bank overdraft is repayable on demand.

### **12 CREDITORS (amounts falling due after more than one year)**

	<u>1992</u>	<u>1991</u>
Finance lease obligations (due within five years)	36,488	47,877
Loan from group undertaking	<u>631,055</u>	<u>631,055</u>
	<u>£667,543</u>	<u>£678,932</u>

The loan is interest free and repayment is not anticipated within one year.

# **BURGESS FUELS LIMITED**

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)**

### **13 DEFERRED TAXATION**

	<u>1992</u>	<u>1991</u>
Movement on deferred taxation during the period was as follows:		
At beginning of period	12,900	8,700
(Release)/charge to profit and loss account	<u>(12,900)</u>	<u>4,200</u>
At end of period	<u>£-</u>	<u>£12,900</u>
The amount provided for deferred taxation is the full potential liability at 33% and is analysed as follows:		
Accelerated capital allowances	<u>£-</u>	<u>£12,900</u>

### **14 CALLED UP SHARE CAPITAL**

	<u>1992</u>	<u>1991</u>
Authorised:		
Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
Allotted and fully paid:		
Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>

### **15 RESERVES - PROFIT AND LOSS ACCOUNT**

	<u>1992</u>
Opening reserves	3,159
Loss for the financial period	<u>(126,452)</u>
Closing reserves	<u>(£123,293)</u>

# BURGESS FUELS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)

### 16 EMPLOYEES

The average number of persons employed by the company during the period was as follows:

	<u>1992</u>	<u>1991</u>
Administration	9	8
Sales and marketing	9	8
Heating and technical	16	12
Distribution	<u>21</u>	<u>22</u>
	55	50
	<u>—</u>	<u>—</u>

### 17 DIRECTORS' EMOLUMENTS

	<u>1992</u>	<u>1991</u>
Directors' remuneration:		
Aggregate emoluments	27,231	45,421
Compensation for loss of office	<u>17,850</u>	<u>—</u>
	£45,081	£45,421
	<u>—</u>	<u>—</u>

The emoluments, excluding pension contributions, of directors of the company are detailed as follows:

	<u>£-</u>	<u>£-</u>
Chairman		
Highest paid director	£42,890	£45,421
	<u>—</u>	<u>—</u>

The emoluments of other Directors were:

	<u>Number of directors</u>	<u>Number of directors</u>
	<u>1992</u>	<u>1991</u>
Not more than £5,000	3	2
	<u>—</u>	<u>—</u>

# BURGESS FUELS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)

### 18 CAPITAL COMMITMENTS

At 31 December 1992 the company was committed to capital expenditure as follows:

	<u>1992</u>	<u>1991</u>
Authorised but not contracted for	£-	£158,000
Authorised and contracted for	<u>£6,423</u>	<u>£20,000</u>

### 19 OPERATING LEASES

The company has annual commitments under operating leases as follows:

	<u>1992</u>	<u>1991</u>
Expiring within one year	2,167	-
Expiring within one and five years	<u>10,689</u>	<u>8,292</u>
	<u>£12,856</u>	<u>£8,292</u>

### 20 PENSION COMMITMENTS

The company operates a defined benefit pension scheme. Contributions are assessed in accordance with the advice of a professionally qualified actuary. The latest actuarial valuation indicated a deficiency on the scheme of £51,000 on a discontinuance basis and an additional £26,000 on an ongoing basis. The company has agreed to eliminate the discontinuance deficiency through the payment of £10,000 per annum over a five year period commencing on 24 May 1993. The remaining deficiency will be addressed through increasing the funding rate to 15.6% plus death in service costs (previously 14.4% inclusive of death in service costs) with effect from 1 April 1993.

The details of the latest valuation are as follows:

Date of valuation	- 1 April 1991
Investment return	- 9%
Pensionable earnings growth	- 7½%
Market value of assets	- £312,030
Funding level	- 80%

## BURGESS FUELS LIMITED

### NOTES TO THE ACCOUNTS - 31 DECEMBER 1992 (CONTINUED)

#### 21 SUBSEQUENT EVENTS

Subsequent to the year end, the decision was taken by management to further reduce the workforce. As a consequence, redundancy and termination payments of £31,000 were incurred. These will be charged to the profit and loss account during the year ending 31 December 1993.

#### 22 PARENT COMPANIES

Shell UK Ltd, a company registered in England and Wales, is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member.

The ultimate parent company is NV Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company), which is incorporated in the Netherlands.

The accounts of the company and its parent undertaking are included in the financial statements of the Royal Dutch/Shell Group of Companies which form part of the Annual Report of Royal Dutch Petroleum Company. Copies of the accounts of Shell UK Limited and Royal Dutch Petroleum Company may be obtained from the Company Secretary, Shell UK Limited, Shell-Mex House, Strand, London, WC2R 0DX.