

EFFECT OF COVID-19 ON THE FINANCIAL PERFORMANCE OF ROYAL DUTCH SHELL PLC.

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ABSTRACT

This paper analyses the financial performance of Royal Dutch Shell plc. commonly known as Shell. The paper gauges the financial performance of Shell during COVID 19. The financial statements of Shell for the years 2020, 2019 and ratio analysis formed the basis of this paper. British Petroleum (BP)'s financial performance during the same period was used as a benchmark for comparative analysis. It was found that Shell had a bad year ending 2020 in terms of financial overview.

Keywords: *Royal Dutch Shell plc, Financial performance, COVID-19 impact, Ratio analysis, Comparative analysis.*

INDUSTRY BACKGROUND

The oil and gas industry comprises of integrated companies and companies specialised in downstream, midstream and upstream. The integrated oil and natural gas companies engage in the exploration, production, refinement, and distribution of oil and gas. Companies like BP, Shell, ExxonMobil, Chevron, Sinopec, Saudi Aramco etc. fall in this category.

Sinopec is the largest company by revenue in 2023 with \$372.52 billion [1]. Saudi Aramco has the highest market capitalisation in 2023 with \$2.133 trillion [2].

The consumption of crude oil dipped in 2020 (Fig. 1) because of the COVID-19 pandemic.

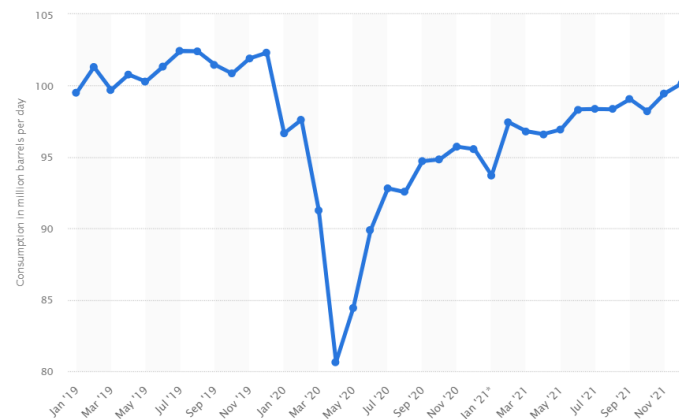


Fig. 1 Crude oil consumption (in million barrels per day) [3]

COMPANY BACKGROUND

a) History, Ownership and Key Historical Events

The headquarters of Shell is based in the Hague, Netherlands.

Shell was established in 1907 by the merger of the Royal Dutch Petroleum Company of the Netherlands and the Shell Transport and Trading Company of the United Kingdom.

From 1908 to 1913, there was a period of expansion and innovation. The company expanded its operations throughout Europe and most of Asia. Exploration and production started in Russia, Romania, Venezuela, Mexico and the United States. During this period, Shell Spirit motor oil was introduced.

From 1914 to 1945, Shell helped the allies during both World Wars. There was rapid expansion during the inter-war years. New and improved drilling techniques were developed. In 1929, Shell Chemicals was founded.

From 1946 to 1960, Shell faced one of its toughest years. It had to deal with post-war reconstruction activities which were expensive. It also had to face a rapidly changing oil market. The period also saw Shell launching new exploration programmes in Africa and South America. Shell also invested in supertankers to transport oil in bulk. Scientific advances and inventions during this period also increased oil demand.

From, 1961 to 1980, Shell strengthened its position and presence in the middle east. It also partnered in the first sea transport of liquefied natural gas (LNG) in 1964 from Algeria to the UK. This opened up a whole new market for the LNG business. Shell also diversified into Coal,

nuclear power and metals. Shell also stepped up its exploration of oil in the North Sea and in the US to look beyond the middle east.

From 1981 to 2004, Shell grew by acquisitions. In 1993, Shell opened the world's first commercial Gas to Liquid plant in Bintulu, Malaysia. Shell also started operations in Russia and China. Due to increased criticism, Shell started to pay more importance to environmental concerns during this period.

From 2005 to 2016, Shell reorganised its corporate structure and focussed on expansion. In 2005, partnership between Royal Dutch Petroleum and Shell Transport and Trading was dissolved and Shell became a single corporate entity called Royal Dutch Shell plc. In 2015, Shell bought BG Group, a UK oil and gas production company. In 2016, Shell created its new energies business to explore commercial opportunities in renewable energy.

From 2016 onwards, Shell is focussing on meeting increased energy demands and reducing carbon emissions. It is focussed on providing cleaner energy solutions.

b) Current Structure, Business and Operations

Shell is a group of energy and petrochemical companies with global operations. It aims to provide cleaner energy solutions which are economically, environmentally and socially responsible [4].

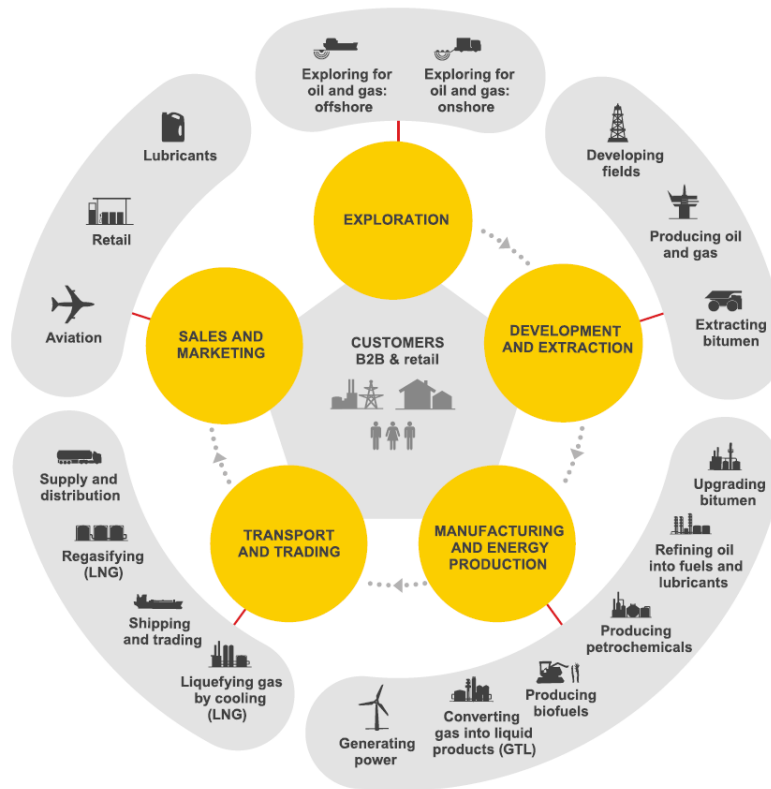


Fig. 2 Shell Businesses [4]

CRITICAL SUCCESS FACTORS

A company depends on Critical Success Factors (CSFs) to be successful. The major CSFs of Shell [4] are a strong strategy, Innovation, Strategic relationships and adapting to Energy transition.

1) Strategy

Shell has refreshed its strategy in 2020. It was officially announced in February 2021 as "Powering Progress". It combines Shell's ambitions under four goals: generating shareholder value, achieving net-zero emissions, powering lives and respecting nature. Shell believes that this new strategy will help them to accelerate their progress towards becoming a net-zero emissions energy business by 2050. Shell aims to lower emissions from its operations. It aims to reduce oil production by 1-2% a year until 2030. But Shell expects the Upstream business to continue to deliver strong cash flows into the 2030s. This will also fund their low-carbon investments that will transform their energy mix. As the world adopts the low-carbon energy systems, Shell wants to be a major player.

2) Innovation

Shell's innovations are more in the Innovation is key to Shell's success. It contributes to Shell's New Energies portfolio and Net Carbon Footprint target. Shell has partnered with leading academic research institutes and universities.

3) Reorganisation

In 2020, Shell announced a major reorganisation plan. It aims to make the organisation nimbler by lowering costs. This will also make it more responsive to customers. The reorganisation plan will take effect from August 2021. It is expected to reduce between 7,000 and 9,000 jobs.

4) Strategic Relationships

Shell is building strategic relationships. Shell signed an agreement in February 2021 with Amazon to sell renewable electricity from the Hollandse Kust (noord) wind farm. It is working with customers, suppliers and regulators to develop a commercially viable and profitable market for sustainable aviation fuel (SAF). This SAF has lower life-cycle carbon emissions than conventional jet fuel. Shell has also agreed to supply six million gallons of this blended SAF to Amazon air cargo fleet. Shell has entered into a strategic partnership with Microsoft in 2020. It is supplying renewable energy to Microsoft. Also, Microsoft will help Shell develop digital tools to help Shell's customers decarbonise.

5) Energy Transition

Shell claims to be in the best position to serve commercial and industrial customers. It plans to deliver through biofuels, electric-vehicle charging networks, and hydrogen. It wants to work with its customers to develop the low-carbon markets of the future, thereby generate value for shareholders. Shell through its joint venture with Eneco, plans to use the Hollandse Kust (noord) wind farm's renewable energy to power industrial scale production of low-carbon hydrogen by electrolysis, a process that splits water into oxygen and hydrogen. For heavy goods transport, Shell plans to work with hauliers and truck manufacturers to develop a market for hydrogen as a low-carbon fuel.

FINANCIAL OVERVIEW

The main sources used in this paper are 2020 Financial reports of Shell [4] and BP [5]. The income and financial position statements for the year 2020 and 2019 are shown in Appendix I. The income and financial position statements in terms of percentage for the year 2020 and 2019

are shown in Appendix II. Table 1 gives an overview of the key numbers for Shell during the years 2020 and 2019. The key numbers are also illustrated in Fig. 3.

Overview - Shell		
	2020	2019
Sales revenue (\$m)	183,195	352,106
R&D spend (\$m)	907	962
Profit before interest and tax (\$m)	-22,441	30,594
Profit/Loss for the year (\$m)	-21,534	16,432
Dividend for the year (cents)	65.00	188.00
Operating cashflow (\$m)	37,395	49,783
Capital investment (\$m)	13,278	15,779
Total debt (\$m)	108,014	96,424
Net debt (\$m)	76,184	78,369
Employees (people)	87,000	87,000

Table 1 Overview of Shell during 2020 and 2019

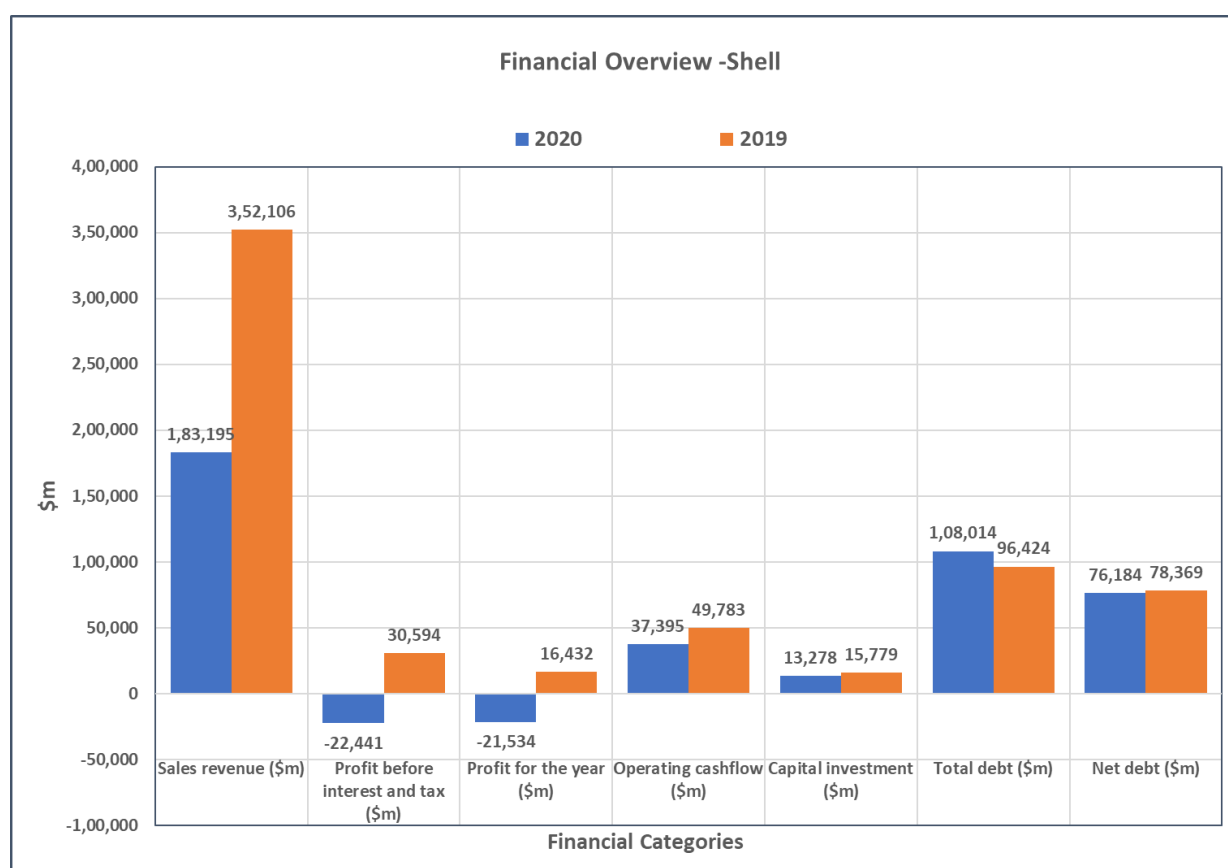


Fig. 3 Financial Overview of Shell for 2020 and 2019

The financial performance of Shell for the year 2020 in terms of profit is lower as compared to the year 2019. This is partly due to effect of COVID1-9 related lockdowns on the production

and supply chains. The sales revenue, operating cashflow and capital investment were lower in 2020 than 2019. Shell reported a loss of \$ 21534 million during 2020 which was 48% lower than the profit it recorded in 2019. Total debt increased by 12% while net debt decreased by 4.7%.

The dividends declared for 2020 was 65 cents per share as against 188 cents per share declared for 2019. The research and development costs were reduced by 5.7%. The research and development costs are shown in Fig. 4.

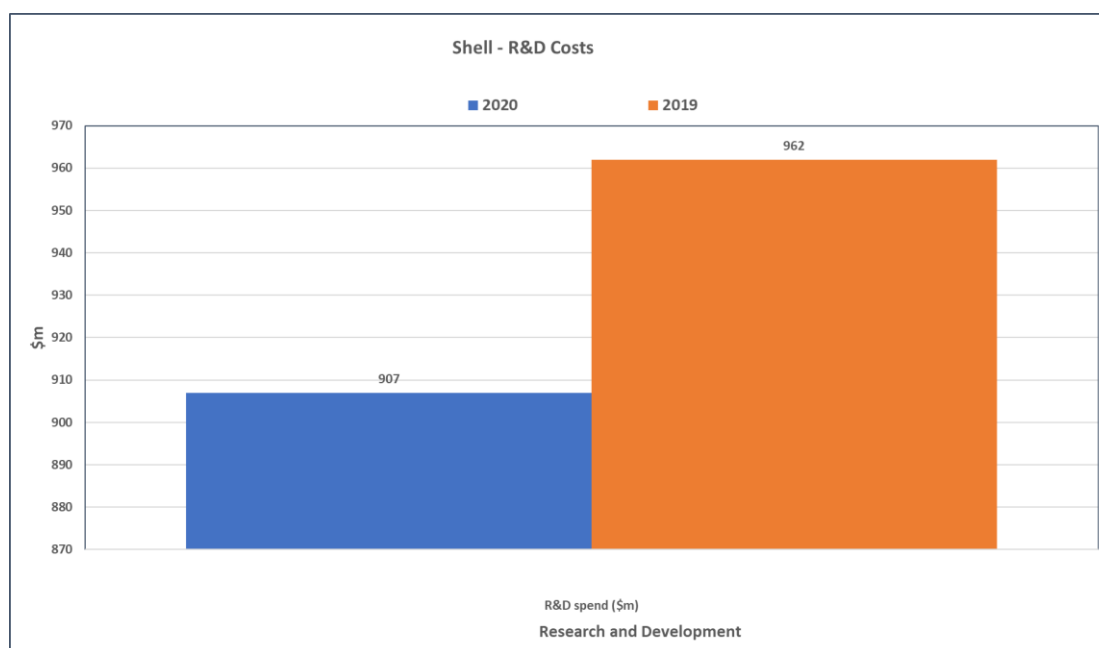


Fig. 4 Research and Development Costs of Shell for 2020

There employee count remained the same during 2020 as it was in 2019.

FINANCIAL ANALYSIS

The Ratio analysis is employed to analyse Shell's financial data and is compared with that of BP. The ratio analysis provides valuable trends based on present and past financial performance which can be used to forecast future performances.

Some of the drawbacks of ratio analysis include: can give incorrect results based on incorrect financial data, non-consideration of inflation; does not capture impact of seasons; does not consider the size of the business; does not account for contingent liability; no uniform accounting policy and is only based on historical data.

There are five important categories of ratio analysis [6]. They are: Performance, Working Capital, Liquidity, Solvency and Shareholder's view.

1. Performance

Performance ratios measure the business performance over a time period. The performance ratios are Gross margin, Operating/sales margin, Asset turnover, Return on Capital-Employed and Sales & Profit/Loss per employee.

The Gross margin is the ratio of gross profit and the turnover/revenue. It determines the value of incremental sales which will help in pricing and promotion decisions.

The operating/sales margin is the ratio of operating profit and the turnover/revenue. It is an important metric which can highlight a company's overall profitability from operations.

Asset turnover is the ratio of turnover/revenue and the difference between total assets and current liabilities. It is an important metric which highlights how effectively companies are using their assets to generate sales revenue.

The Return of Capital Employed is the ratio of profit (before interest and tax) and the difference between total assets and current liabilities. It is a measure of the relative profitability, after taking into account the amount of capital used.

The sales per employee is the ratio of the turnover/revenue by the number of employees in the company. It is a measure of the sales revenue per each employee.

Profit/Loss per employee is the ratio of operating profit and the number of employees in the company. It is a measure of the profit/loss per each employee.

The performance ratios for Shell for the year ending 2020 and 2019, are tabulated in Table 2.

Performance Ratios - Shell		
	2020	2019
Gross margin	-6.4%	11.9%
Operating / Sales margin	-12.2%	8.7%
Asset turnover	0.60	1.08
Return on Capital Employed TOTAL	-7.4%	9.4%
Return on Capital Employed UNDERLYING	-7.4%	9.4%
Sales per employee	£21,05,690	£40,47,195
Profit/Loss per employee	-£2,57,943	£3,51,655

Table 2 Performance Ratios of Shell for 2020 and 2019

During the year ending 2020, a decline in all the performance ratios of Shell over the 2019 values were observed. This indicates the business was down in the year ending 2020.

The income and financial position statements of BP for the year 2020 and 2019 are shown in Appendix III. The income and financial position statements in terms of percentage for the year 2020 and 2019 are shown in Appendix IV.

The performance ratios for BP for the year ending 2020 and 2019, are tabulated in Table 3. BP's performance ratios saw the same downward trend which Shell encountered.

Performance Ratios - BP		
	2020	2019
Gross margin	-6.0%	8.2%
Operating / Sales margin	-11.8%	4.1%
Asset turnover	0.88	1.28
Return on Capital Employed TOTAL	-10.5%	5.3%
Return on Capital Employed UNDERLYING	-10.5%	5.3%
Sales per employee	£26,94,567	£38,98,152
Profit/Loss per employee	-£3,19,236	£1,61,462

Table 3 Performance Ratios of BP for 2020 and 2019

The comparison of performance ratios for Shell and BP for the year ending 2020 and 2019, is shown in Table 3.

Performance Ratios Comparison	Shell	BP
	2020	2020
Gross margin	-6.4%	-6.0%
Operating / Sales margin	-12.2%	-11.8%
Asset turnover	0.60	0.88
Return on Capital Employed TOTAL	-7.4%	-10.5%
Return on Capital Employed UNDERLYING	-7.4%	-10.5%
Sales per employee	£21,05,690	£26,94,567
Profit/Loss per employee	-£2,57,943	-£3,19,236

Table 4 Performance Ratios Comparison of Shell and BP for 2020

The comparison of Gross margin, Operating/Sales margin, Return on Capital Employed-total and Return on Capital Employed -underlying for Shell and BP for the year ending 2020 is shown in Fig. 5.

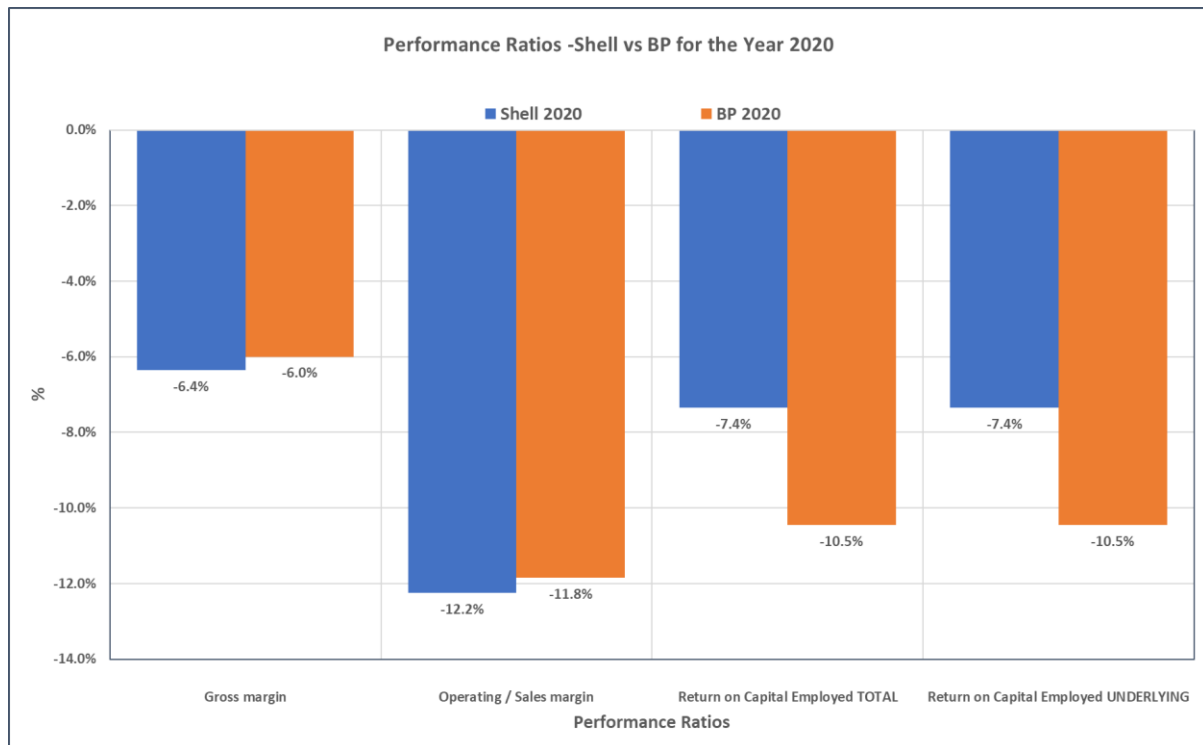


Fig. 5 Performance Ratios Comparison of Shell and BP for 2020

The Gross margin ratio comparison indicates that Shell's value is lower than BP's. It indicates that Shell is not generating strong sales prices relative to its cost of goods sold as compared to BP. Both Shell's and BP's gross margin value is negative, which indicates the costs of production are exceeding total sales.

Operating/Sales Margin ratio comparison indicates that Shell's value is lower than BP's. This indicates BP is better positioned than Shell to address interest costs towards debts and taxes. Both Shell's and BP's Operating/Sales Margin value is negative, which indicates that additional funds are required by both.

The negative Return of Capital Employed ratio for both Shell and BP indicates that they must reduce costs and increase sales.

The comparison of Asset turnover ratio for Shell and BP for the year ending 2020, is shown in Fig. 6.

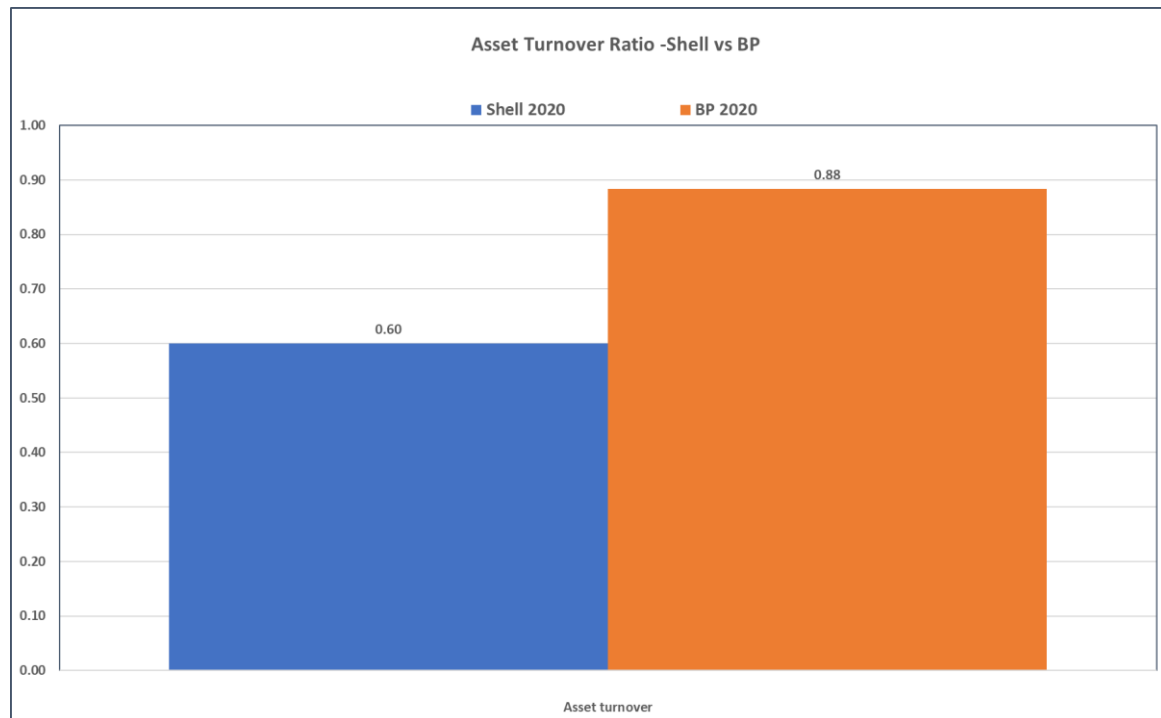


Fig. 6 Comparison of Asset Turnover Ratio of Shell and BP for 2020

The Asset Turnover ratio comparison indicates that BP's asset turnover ratio is higher than Shell's. This indicates that BP is more efficient than Shell in generating revenue from assets.

The comparison of Sales and Profit per employee for Shell and BP for the year ending 2020, is shown in Fig. 7.

The Sales per employee ratio of BP is higher than Shell. This indicates the more sales per employee for BP than Shell. The number of employees also matter. During the year 2020, 87000 employees worked for Shell, whereas 68100 employees worked for BP in the same period.

The profit/loss per employee ratio of BP is higher than Shell. This means that loss per employee is more in BP than Shell.

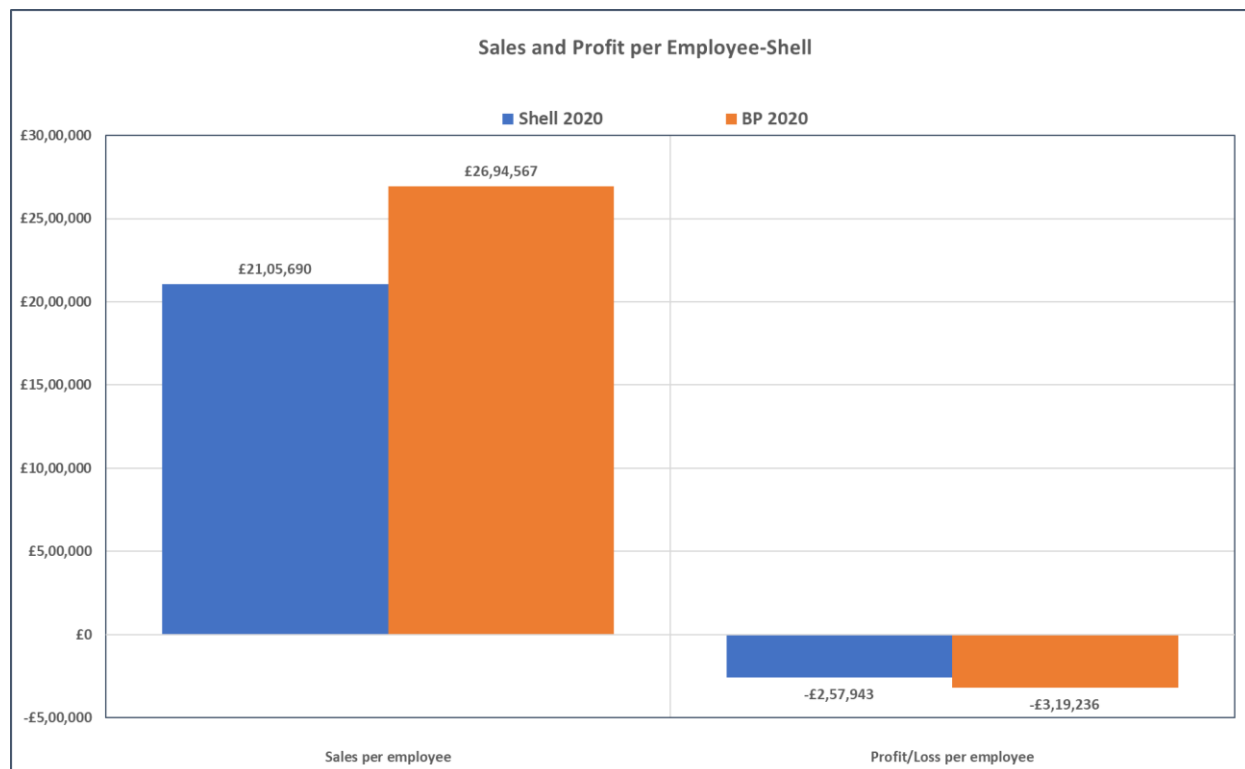


Fig. 7 Comparison of Sales and Profit per Employee of Shell and BP for 2020

2. Working Capital

There are three working capital ratios: Inventory days, Debtor days and Trade creditor days.

The inventory days ratio is the average number of days a company hold its inventory before selling. It is also a measure of the number of days the funds are locked in inventory.

The debtor days ratio is the average number of days taken by a company to collect funds from the debtors.

Trade creditor days is the average number of days taken by the company to pay its suppliers.

The comparison of working capital ratios for Shell for the year ending 2020 and 2019, is shown in Table 5. It shows that Shell's working capital ratios were higher in 2020 than in 2019.

Working Capital - Shell		
	2020	2019
Inventory days	36.45	28.34
Debtor days	66.99	45.00
Trade creditor days	78.07	57.93

Table 5 Working Capital Ratios of Shell for 2020 and 2019

The comparison of working capital ratios for BP for the year ending 2020 and 2019, is shown in Table 6.

Working Capital - BP		
	2020	2019
Inventory days	31.66	29.37
Debtor days	35.70	31.57
Trade creditor days	67.58	65.87

Table 6 Working Capital Ratios of BP for 2020 and 2019

The working capital ratios of BP for 2020 show the same trends as that of Shell's.

The comparison of working capital ratios for Shell and BP for the year ending 2020, is shown in Table 7.

Working Capital Comparison	Shell	BP
	2020	2020
Inventory days	36.45	31.66
Debtor days	66.99	35.70
Trade creditor days	78.07	67.58

Table 7 Comparison of Working Capital Ratios of Shell and BP for 2020

The comparison of Working Capital Ratios for Shell and BP for the year ending 2020, is shown in Fig. 8.

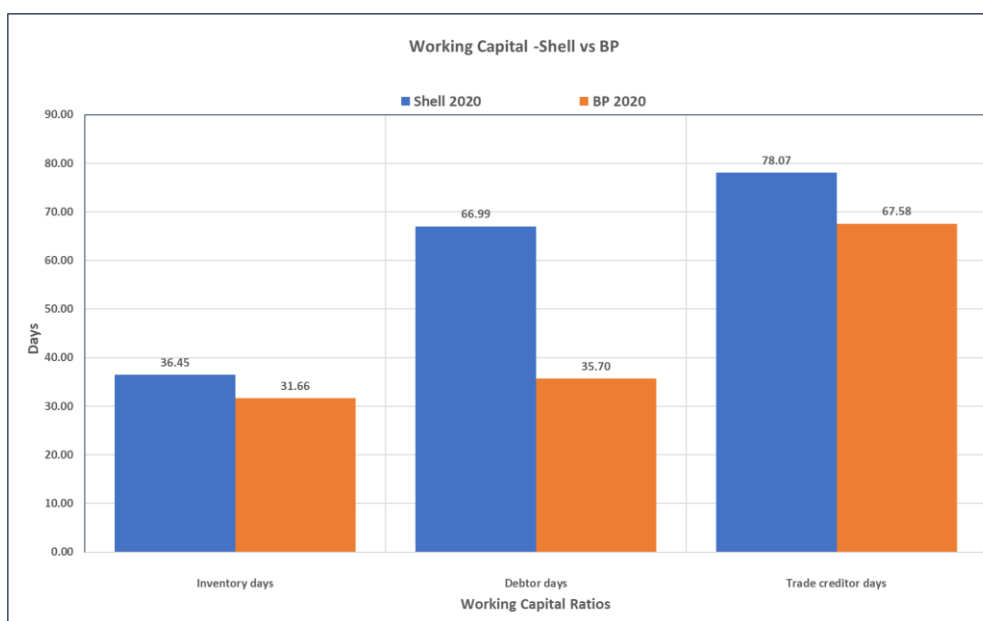


Fig.8 Comparison of Working Capital Ratios of Shell and BP for 2020

The comparison indicates, that Shell's inventory was locked up for a greater number of days than BP. Shell also had troubles collecting funds from debtors, as its debtor days ratio has higher than that of BP. Shell also took more days than BP to pay its suppliers.

3. Liquidity

There are two Liquidity ratios: Current ratio and Acid test/Quick ratio.

The current ratio is a metric which measures a company's ability to pay of its current liabilities using current assets.

The Acid test/Quick ratio is a metric which measures a company's ability to pay of its current liabilities using current assets excluding inventory.

The comparison of Liquidity ratios for Shell for the year ending 2020 and 2019, is shown in Table 8.

Liquidity - Shell		
	2020	2019
Current ratio	1.23	1.16
Acid test / Quick ratio	0.96	0.86

Table 8 Liquidity Ratios of Shell for 2020 and 2019

The Liquidity ratios in 2020 are greater than in 2019 for Shell. It means Shell is in a better position to deal with outstanding debts in 2020 as compared to 2019.

The comparison of Liquidity ratios for BP for the year ending 2020 and 2019, is shown in Table 9.

Liquidity - BP		
	2020	2019
Current ratio	1.22	1.12
Acid test / Quick ratio	0.94	0.83

Table 9 Liquidity Ratios of BP for 2020 and 2019

BP also follows the same trend as Shell in terms of Liquidity ratios.

The comparison of Liquidity ratios for Shell and BP for the year ending 2020, is shown in Table 10.

Liquidity Comparison	Shell	BP
	2020	2020
Current ratio	1.23	1.22
Acid test / Quick ratio	0.96	0.94

Table 10 Comparison of Liquidity Ratios of Shell and BP for 2020

The comparison of Liquidity Ratios for Shell and BP for the year ending 2020, is shown in Fig. 9.

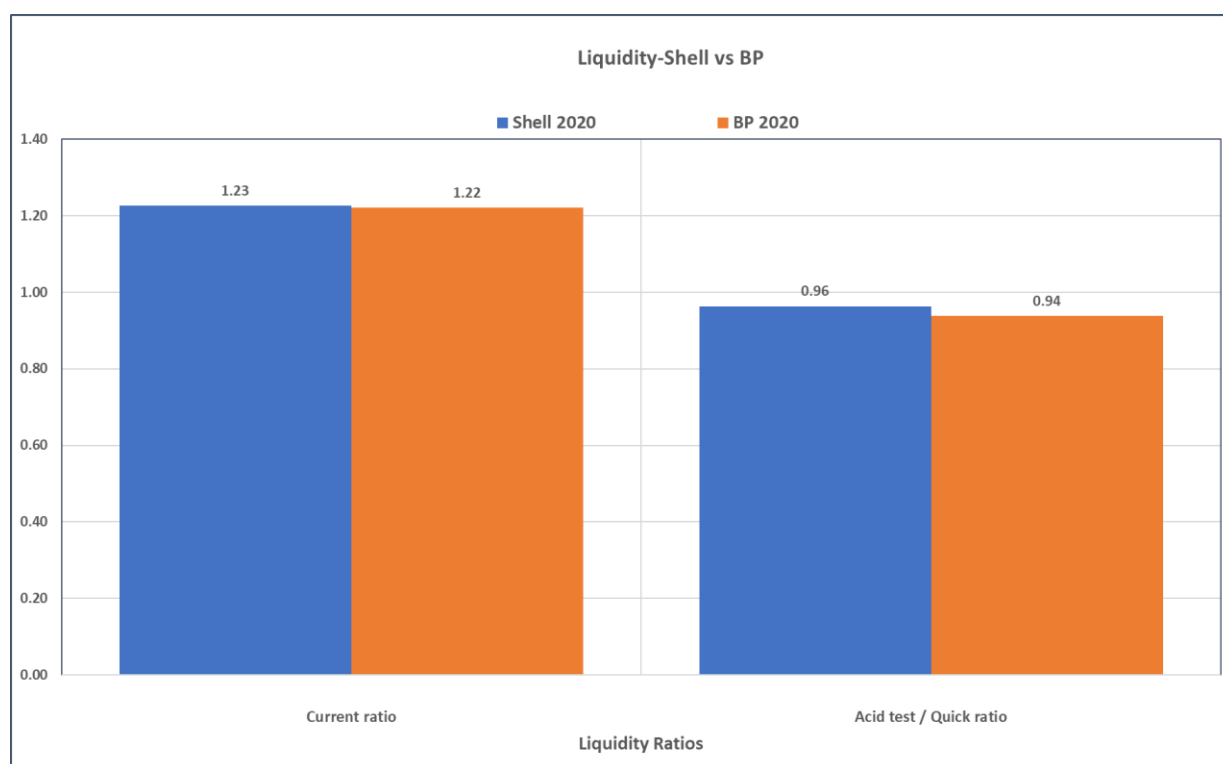


Fig. 9 Comparison of Liquidity Ratios of Shell and BP for 2020

In 2020, Shell has better Liquidity ratios than BP. It indicates it is in a better position to deal with outstanding debts.

4. Solvency

There are two Solvency ratios: Interest Cover and Gearing.

Interest cover is the ratio of profit (before interest and tax) and the interest payable. How easily can a company pay interest on its outstanding debt is measured by this metric.

Gearing ratio is the ratio of total debt and total equity. It is a metric which measures the debt funding of the company's operations as compared to equity.

The comparison of Solvency ratios for Shell for the year ending 2020 and 2019, is shown in Table 11.

Solvency - Shell		
	2020	2019
Interest cover	-5.49	6.52
Gearing	0.68	0.51

Table 11 Solvency Ratios of Shell for 2020 and 2019

The interest cover of Shell in 2020 as compared to 2019 is lower and negative. This indicates that its current earnings are not sufficient to service outstanding debts.

The Gearing ratio of Shell in 2020 as compared to 2019 is higher. This indicates that Shell has a larger proportion of debt as compared to equity in 2020.

The comparison of Solvency ratios for BP for the year ending 2020 and 2019, is shown in Table 12.

Solvency - BP		
	2020	2019
Interest cover	-6.98	3.36
Gearing	0.82	0.67

Table 12 Solvency Ratios of BP for 2020 and 2019

BP also follows the same trend as Shell in terms of Solvency ratios.

The comparison of Solvency ratios for Shell and BP for the year ending 2020, is shown in Table 13.

Solvency Comparison	Shell	BP
	2020	2020
Interest cover	-5.49	-6.98
Gearing	0.68	0.82

Table 13 Comparison of Liquidity Ratios of Shell and BP for 2020

The comparison of Solvency Ratios for Shell and BP for the year ending 2020, is shown in Fig. 10.

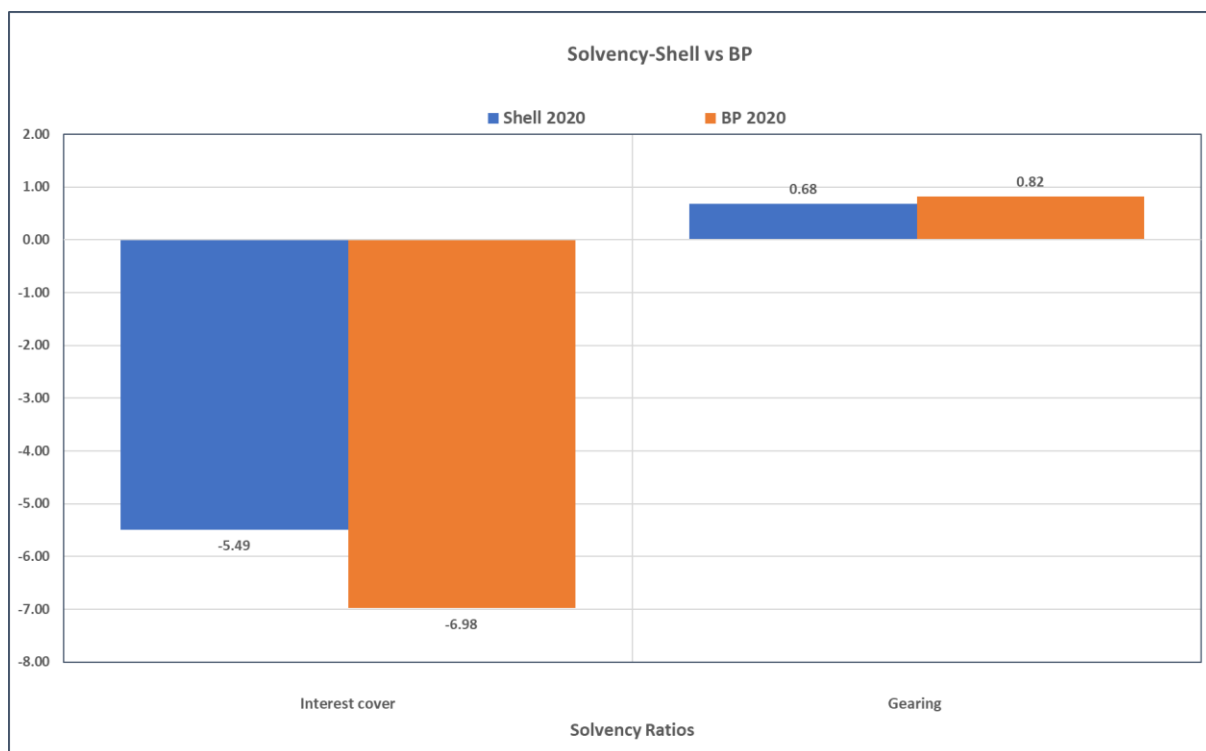


Fig. 10 Comparison of Solvency Ratios of Shell and BP for 2020

BP has higher solvency ratios as compared to Shell in 2020. It indicates Shell is in a better position as compared to BP in Interest cover and Gearing ratio.

5. Shareholder View

Return on equity is the shareholder’s ratio. It is a measure of how well a company is managing the funds invested by the shareholders.

The comparison of Return on equity for Shell for the year ending 2020 and 2019, is shown in Table 14.

Shareholder's View - Shell		
	2020	2019
Return on equity	-0.14	0.08

Table 14 Return on Equity of Shell for 2020 and 2019

The Return on equity of Shell in 2020 is lesser than 2019 and is negative. It means that shareholders of Shell are losing money.

The comparison of Return on equity for BP for the year ending 2020 and 2019, is shown in Table 15.

Shareholder's View - BP		
	2020	2019
Return on equity	-0.28	0.04

Table 15 Return on Equity of BP for 2020 and 2019

The comparison of Return on equity for Shell and BP for the year ending 2020, is shown in Table 16. BP also follows the same trend as Shell in terms of Return on equity.

Shareholder's View Comparison	Shell	BP
	2020	2020
Return on equity	-0.14	-0.28

Table 16 Comparison of Liquidity Ratios of Shell and BP for 2020

The comparison of Return on Equity for Shell and BP for the year ending 2020, is shown in Fig. 11.

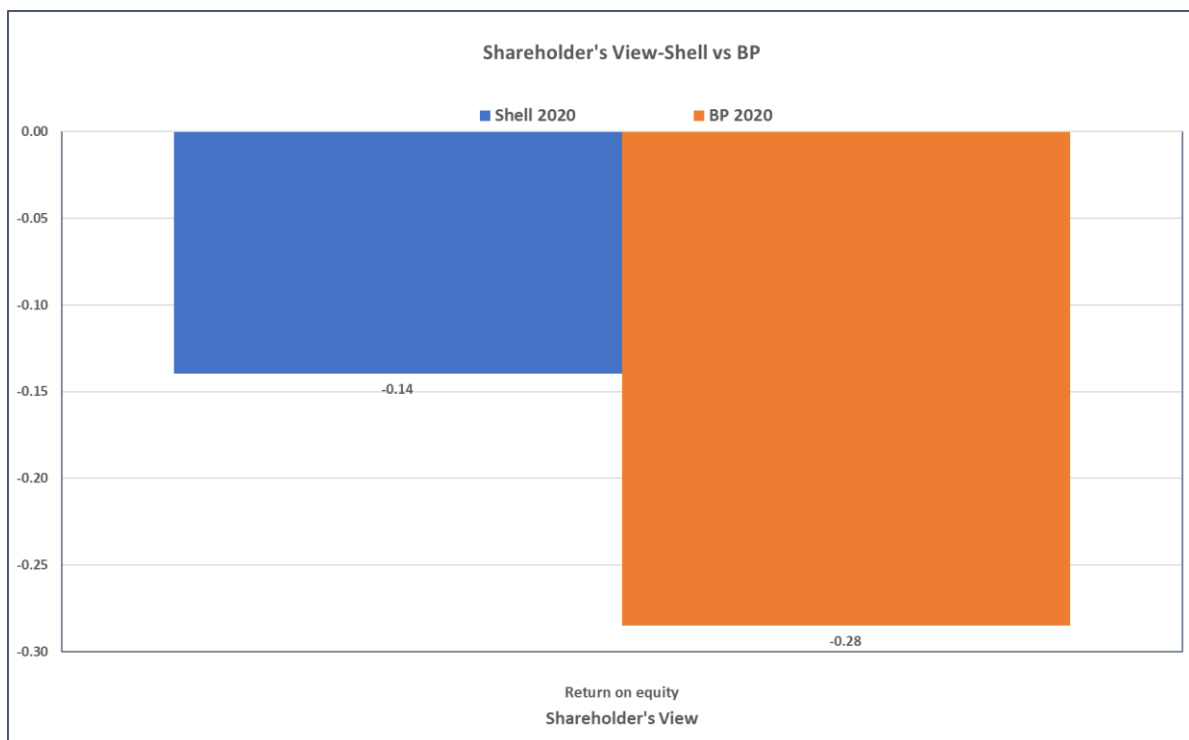


Fig. 11 Comparison Shareholder’s view of Shell and BP for 2020

BP has lower return of equity as compared to Shell in 2020. It indicates Shell is in a better position as compared to BP in return of equity. The return of equity is negative for both BP and Shell, indicating shareholders of both companies are losing money.

DISCUSSION

The year 2020 has been a difficult year for the integrated oil and gas industry. Shell and BP both performed badly in 2020 as discussed in the previous ratios section. A comparison of the financial overview of Shell and BP is shown in Table 17.

The sales revenue, operating cashflow and capital investment were lower for BP in 2020 as compared to Shell. Both Shell and BP have recorded losses in 2020. Total debt and net debt of Shell is more than that of BP.

The dividends declared for 2020 by Shell was 65 cents per share as against 31.5 cents per share declared by BP. The research and development costs were higher for Shell than BP. Shell has more employees than BP in 2020.

Overview Comparison	Shell	BP
	2020	2020
Sales revenue (\$m)	1,83,195	1,83,500
R&D spend (\$m)	907	332
Profit before interest and tax (\$m)	-22,441	-21,740
Profit for the year (\$m)	-21,534	-20,729
Dividend for the year (cents)	65.00	31.50
Operating cashflow (\$m)	37,395	14,600
Capital investment (\$m)	13,278	14,055
Total debt (\$m)	1,08,014	70,052
Net debt (\$m)	76,184	38,941
Employees (people)	87,000	68,100

Table 17 Comparison of Financial Overview of Shell and BP for 2020

The key comparison numbers are also illustrated in Fig. 12.

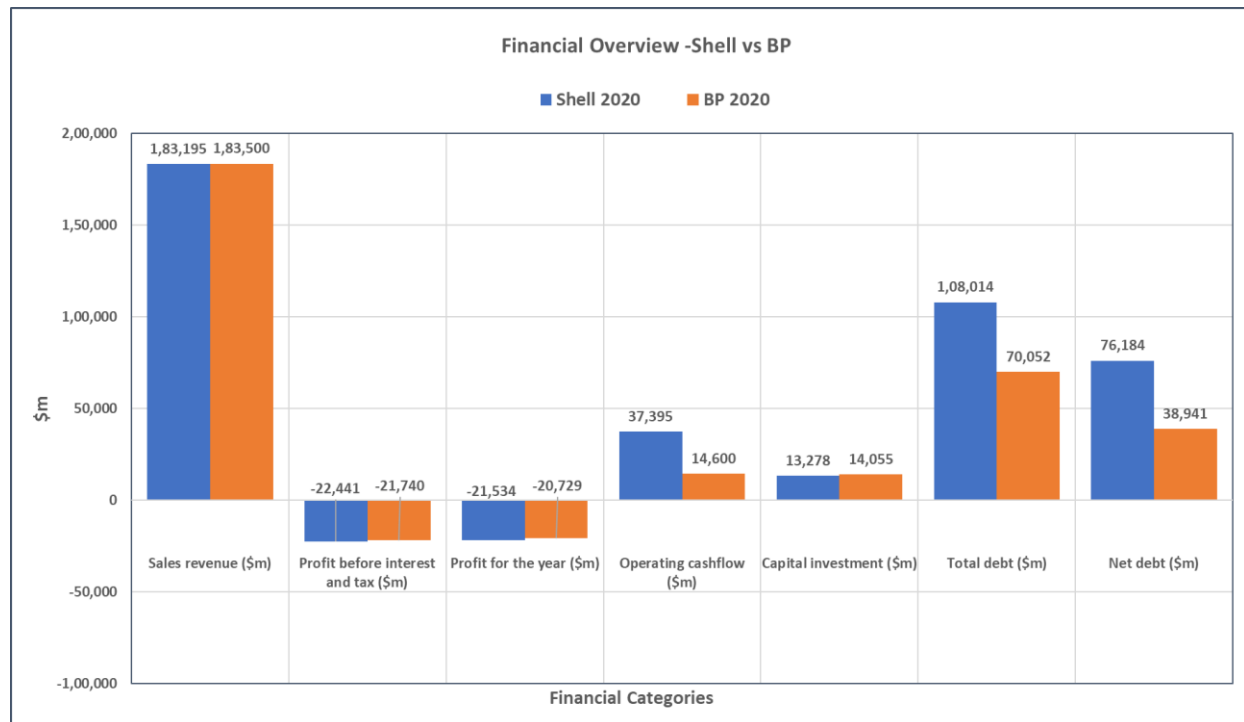


Fig. 12 Financial Overview of Shell and BP for 2020

CONCLUSION

In conclusion, Shell faced a challenging financial landscape in 2020 due to the unprecedented impacts of the COVID-19 pandemic. The negative financial indicators across key metrics underscore the severity of the challenges the oil and gas industry faced. The divergence in certain metrics, such as operating cashflow and debt levels, suggests differences in the companies' resilience and strategies during the crisis.

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APPENDIX

I. Income Statement of Shell for 2020 and 2019

<i>Shell</i>				
Income Statement		31-12-2020		31-12-2019
For the year ending				
		\$m		\$m
Turnover		1,83,195		3,52,106
Cost of Sales	GUESS	(1,94,848)	GUESS	(3,10,057)
<i>Gross Profit</i>		(11,653)		42,049
Selling and administrative expenses		(9,881)		(10,493)
R&D costs		(907)		(962)
<i>Operating profit</i>	<i>UNDERLYING</i>	(22,441)	<i>UNDERLYING</i>	30,594
Exceptional		0		0
Other		0		0
<i>Profit before interest and tax</i>	<i>STATUTORY</i>	(22,441)	<i>STATUTORY</i>	30,594
Interest payable (Finance costs)		(4,089)		(4,690)
Interest receivable (Finance income)		(437)		(419)
<i>Profit before tax</i>		(26,967)		25,485
Tax		(5,433)		(9,053)
<i>Profit for the year - continuing</i>		(21,534)		16,432

Profit for the year -discontinued		0		0
<i>Profit for the year - total</i>		(21,534)		16,432
Attributable to:				
Minority interests		146		590
<i>Equity shareholders of Shell</i>		(21,680)		15,842
Other information				
For the year		31-12-2020		31-12-2019
Capital investment (\$m)		13,278		15,779
Operating cash flow (before tax) (\$m)		37,395		49,783
Earnings per share (c)		278.00		197.00
R&D (\$m)		-907.0		-962.0
Dividend (cents per share)		65.0		188.0
Number of shares (m)		7,796.0		8,058
Employees		87,000.0		87,000.0

Shell				
Income Statement		31-12-2020		31-12-2019
For the year ending				
		\$m		\$m
Turnover		100.0%		100.0%
Cost of Sales	GUESS	-106.4%	GUESS	-88.1%
<i>Gross Profit</i>		-6.4%		11.9%
Selling and administrative. expenses		-5.4%		-3.0%
R&D costs		-0.5%		-0.3%
<i>Operating profit</i>	<i>UNDERL YING</i>	-12.2%	<i>UNDERL YING</i>	8.7%
Exceptional		0.0%		0.0%

Other		0.0%		0.0%
<i>Profit before interest and tax</i>	<i>STATUTO RY</i>	-12.2%	<i>STATUTO RY</i>	8.7%
Interest payable (Finance costs)		-2.2%		-1.3%
Interest receivable (Finance income)		-0.2%		-0.1%
<i>Profit before tax</i>		-14.7%		7.2%
Tax		-3.0%		-2.6%
<i>Profit for the year - continuing</i>		-11.8%		4.7%
Profit for the year - discontinued		0.0%		0.0%
<i>Profit for the year - total</i>		-11.8%		4.7%
Attributable to:				
Minority interests		0.1%		0.2%

II. Financial Statement of Shell for 2020 and 2019

Statement of Financial Position - Shell				
As at	31-12-2020		31-12-2019	
	\$m	\$m	\$m	\$m
Non-current assets				
Tangible assets	210847.0		238349.0	
Intangible assets	22822.0		23486.0	
Investments and other	54904.0		49812.0	
		288573.0		311647.0
Current assets				
Inventory	19457.0		24071.0	
Trade receivables/debtors	33625.0		43414.0	
Cash	31830.0		18055.0	

Others	5783.0	90695.0	7149.0	92689.0
Current liabilities				
Short term debt	(16899.0)		(15064.0)	
Trade creditors/payables	(41677.0)		(49208.0)	
Others	(15375.0)	(73951.0)	(15352.0)	(79624.0)
Net current liabilities		16744.0		13065.0
Total assets less CL		305317.0		324712.0
Financed by				
Shareholders' funds				
Issued capital	155310.0		186476.0	
Treasury stock				
Other reserves				
Retained earnings				
		155310.0		186476.0
Minorities		3227.0		3987.0
Non-current liabilities				
Long term debt	91115.0		81360.0	
Other long term liabs	55665.0		52889.0	
		146780.0		134249.0
Long term liabilities + Equity		305317.0		324712.0

Shell				
Statement of Financial Position	31-12-2020		31-12-2019	
As at				
	\$m	\$m	\$m	\$m
Non-current assets				
Tangible assets	69%		73%	
Intangible assets	7%		7%	
Investments and other	18%		15%	
		95%		96%
Current assets				
Inventory	6%		7%	
Trade receivables/debtors	11%		13%	
Cash	10%		6%	
Others	2%	30%	2%	29%

Current liabilities				
Short term debt	-6%		-5%	
Trade creditors/payables	-14%		-15%	
Others	-5%	-24%	-5%	-25%
Net current liabilities		5%		4%
Total assets less CL		100%		100%
Financed by				
Shareholders' funds				
Issued capital	51%		57%	
Treasury stock				
Other reserves				
Retained earnings				
		51%		57%
Minorities		1%		1%
Non-current liabilities				
Long term debt	30%		25%	
Other long term liabs	18%		16%	
		48%		41%
Long term liabilities + Equity		100%		100%

III. Income Statement of BP for 2020 and 2019

BP				
Income Statement		31-12-2020		31-12-2019
For the year ending				
		<i>\$m</i>		<i>\$m</i>
Turnover		183,500		282,616
Cost of Sales	<i>GUESS</i>	(194,511)	<i>GUESS</i>	(259,489)
<i>Gross Profit</i>		(11,011)		23,127
Selling and administrative expenses		(10,397)		(11,057)
R&D costs		(332)		(364)
<i>Operating profit</i>	<i>UNDERLYI</i> <i>NG</i>	(21,740)	<i>UNDERLYIN</i> <i>G</i>	11,706
Exceptional		0		0

Other		0		0
<i>Profit before interest and tax</i>	<i>STATUTORY</i>	<i>(21,740)</i>	<i>STATUTORY</i>	<i>11,706</i>
Interest payable (Finance costs)		<i>(3,115)</i>		<i>(3,489)</i>
Interest receivable (Finance income)		<i>(33)</i>		<i>(63)</i>
<i>Profit before tax</i>		<i>(24,888)</i>		<i>8,154</i>
Tax		<i>4,159</i>		<i>(3,964)</i>
<i>Profit for the year - continuing</i>		<i>(20,729)</i>		<i>4,190</i>
Profit for the year - discontinued		0		0
<i>Profit for the year - total</i>		<i>(20,729)</i>		<i>4,190</i>
Attributable to:				
Minority interests		<i>(424)</i>		<i>164</i>
<i>Equity shareholders of BP</i>		<i>(20,305)</i>		<i>4,026</i>
Other information				
For the year		<i>31-12-2020</i>		<i>31-12-2019</i>
Capital investment (\$m)		<i>14,055.0</i>		<i>19,421</i>
Operating cash flow (before tax) (\$m)		14,60 0.0		31,20 7
Earnings per share (c)		100.4 2		19.84
R&D (\$m)		-332.0		-364.0
Dividend (cents per share)		31.5		41.0

Number of shares (m)		20,22 1.5		20,40 0
Employees		68,10 0.0		72,50 0.0

Income Statement		31- 12- 2020		31-12- 2019
For the year ending				
		\$m		\$m
Turnover		100.0 %		100.0 %
Cost of Sales	GUES S	- 106.0 %	GUES S	- 91.8%
Gross Profit		-6.0%		8.2%
Selling and administrative. expenses		-5.7%		-3.9%
R&D costs		-0.2%		-0.1%
Operating profit	UNDE RLYI NG	- 11.8 %	UNDE RLYI NG	4.1%
Exceptional		0.0%		0.0%
Other		0.0%		0.0%
Profit before interest and tax	STAT UTOR Y	- 11.8 %	STAT UTOR Y	4.1%
Interest payable (Finance costs)		-1.7%		-1.2%

Interest receivable (Finance income)		0.0%		0.0%
Profit before tax		- 13.6 %		2.9%
Tax		-2.3%		-1.4%
Profit for the year - continuing		- 11.3 %		1.5%
Profit for the year -discontinued		0.0%		0.0%
Profit for the year - total		- 11.3 %		1.5%
Attributable to:				
Minority interests		-0.2%		0.1%

IV. Financial Statement of BP for 2020 and 2019

Statement of Financial Position				
As at		31- 12- 202 0		31- 12- 2019
	\$m	\$m	\$m	\$m
Non-current assets				
Tangible assets	114 836. 0		132 642. 0	
Intangible assets	609 3.0		155 39.0	

Investments and other	737 43.0		649 54.0	
		194 672. 0		2131 35.0
Current assets				
Inventory	168 73.0		208 80.0	
Trade receivables/debtors	179 48.0		244 42.0	
Cash	311 11.0		224 72.0	
Others	705 0.0	729 82.0	142 65.0	8205 9.0
Current liabilities				
Short term debt	(123 7.0)		(232 1.0)	
Trade creditors/payables	(360 14.0)		(468 29.0)	
Others	(225 48.0)	(597 99.0)	(244 45.0)	(735 95.0)
Net current liabilities		131 83.0		8464 .0
Total assets less CL		207 855. 0		2215 99.0
Financed by				
Shareholders' funds				
Issued capital	712 50.0		984 12.0	

Treasury stock				
Other reserves				
Retained earnings				
		712		9841
		50.0		2.0
Minorities		143		2296
		18.0		.0
Non-current liabilities				
Long term debt	688		655	
	15.0		93.0	
Other long term liabs	534		552	
	72.0		98.0	
		122		1208
		287.		91.0
		0		
Long term liabilities + Equity		207		2215
		855.		99.0
		0		

BP				
Statement of Financial Position	31-12-2020		31-12-2019	
	As at			
	\$m	\$m	\$ m	\$m
Non-current assets				
Tangible assets	55		60	
	%		%	
Intangible assets	3%		7	
			%	

Investments and other	35 %		29 %	
		94 %		96 %
Current assets				
Inventory	8%		9 %	
Trade receivables/debtors	9%		11 %	
Cash	15 %		10 %	
Others	3%	35 %	6 %	37 %
Current liabilities				
Short term debt	-1%		- 1 %	
Trade creditors/payables	- 17 %		- 21 %	
Others	- 11 %	- 29 %	- 11 %	- 33 %
Net current liabilities		6%		4%
Total assets less CL		100 %		100 %
Financed by				
Shareholders' funds				
Issued capital	34 %		44 %	
Treasury stock				
Other reserves				

Retained earnings				
		34 %		44 %
Minorities		7%		1%
Non-current liabilities				
Long term debt	33 %		30 %	
Other long term liabs	26 %		25 %	
		59 %		55 %
Long term liabilities + Equity		100 %		100 %