Petroineos Europe Limited

Annual report and financial statements

Registered number 5310655

31 December 2016

Contents

Strategic report for the year ended 31 December 2016

The directors present their strategic report on Petroineos Europe Limited for the year ended 31 December 2016.

Review of business and future developments

Petroineos Europe Limited provides commercial staff support to both Petroineos Trading Limited and Petroineos Fuels Limited. There are no changes planned to the future activities of the Company.

Key performance indicators

Given the straight forward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators for the Company is not necessary for an understanding of the development, performance or position of the business. The financial results of Petroineos Europe Limited are included in the consolidated financial statements of its parent company, Petroineos Trading Limited. The development, performance and position of Petroineos Trading Limited is discussed in the group's annual report which does not form part of this report.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Petroineos Trading Limited which include those of the Company are discussed in the group's annual report which does not form part of this report.

By order of the board

Franck Demay
Director
27th September 2017

Directors' report for the year ended 31 December 2016

The directors present their report and audited financial statements of the Company for the year ended 31 December 2016.

Principal activities

The Company provides support services to other companies in the Petroineos Group.

Results and dividends

The profit for the financial year before taxation was $23.9 million (2015: $20.6 million). The directors do not propose the payment of a dividend (2015: $nil).

Future developments

Future developments are discussed in the Strategic Report.

Financial risk management

The Company is funded internally by Petroineos Trading Limited and therefore has no direct exposure to price, credit, liquidity, interest rate or debt market risk.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

Si Bingjun

J W Dawson

F Demay

L Yang
Y Luo
Q Teng

Employees

The Company has developed voluntary practices and procedures for employee involvement appropriate to their own circumstances and needs. The Company encourages this approach to provide information and consultation and believes that this promotes a better understanding of the issues facing the individual business in which the employee works. The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Company by issuing communications on the intranet and holding employee information meetings hosted by the board.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Political and charitable contributions

The Company made no political or charitable contributions during the financial year.

Directors' report for the year ended 31 December 2016 (continued)

Health & safety

The Petroineos Group facilities and operations are subject to a wide range of health, safety, security and environmental ("HSSE") laws and regulations in all of the jurisdictions in which we operate.

Our operations are currently in material compliance with all HSSE laws, regulations and permits. We actively address compliance issues in connection with our operations and properties and we believe that we have systems in place to ensure that environmental costs and liabilities will not have a material adverse impact on us.

Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

(i) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware.

(ii) each director has taken all the steps that he ought to have taken in his duty as director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

The auditors, KPMG LLP, have indicated their willingness to continue in office. The auditors are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

By order of the board

Franck Demay
Director
27th September 2017

Registered number 5310655

Independent auditor's report to the members of Petroineos Europe Limited

We have audited the financial statements of Petroineos Europe Limited for the year ended 31 December 2016 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement (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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Juliette Lowes

Juliette Lowes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
London
27 September 2017

Profit and Loss Account
for year ended 31 December 2016

	Note	**2016**	2015
		$m	$m
Administrative costs		**-**	(0.3)
Operating (loss)	*2*	**-**	(0.3)
Other interest receivable and similar income	*5*	**23.9**	20.9
Profit before taxation		**23.9**	20.6
Tax credit	*6*	**-**	0.6
Profit for the financial year		**23.9**	21.2

The Company has no recognised other comprehensive income and therefore no separate statement of other comprehensive income has been presented.

Balance Sheet
At 31 December 2016

	Note	**2016**	2015
		$m	$m
Current assets			
Debtors	*7*	**847.6**	823.9
Creditors: amounts falling due within one year	*8*	**-**	(0.2)
Net current assets		**847.6**	823.7
Total assets less current liabilities		**847.6**	823.7
Net assets		**847.6**	823.7
Capital and reserves			
Called up share capital	*10*	**0.1**	0.1
Share premium account		**714.2**	714.2
Profit and loss account		**133.3**	109.4
Total equity		**847.6**	823.7

These financial statements on pages 6 to 19 were approved by the board of directors on 27th September 2017 and were signed on its behalf by:

Franck Demay
Director

Company registered number: 5310655

Statement of Changes in Equity

	Called up share capital $m	Share Premium account $m	Profit and loss account $m	Total equity $m
Balance at 1 January 2015	0.1	714.2	88.2	802.5
Total comprehensive income for the year				
Profit for the financial year	-	-	21.2	21.2
Balance at 31 December 2015	**0.1**	**714.2**	**109.4**	**823.7**

	Called up Share capital $m	Share Premium account $m	Profit and loss account $m	Total equity $m
Balance at 1 January 2016	0.1	714.2	109.4	823.7
Total comprehensive income for the year				
Profit for the financial year	-	-	23.9	23.9
Balance at 31 December 2016	**0.1**	**714.2**	**133.3**	**847.6**

Notes (forming part of the financial statements)

1 Accounting policies

Petroineos Europe Limited (the "Company") is a limited company incorporated and domiciled in the UK. The registered office address is Tricor Services Europe LLP, Tricor Suite, 4th Floor 50 Mark Lane, London, United Kingdom EC3R 7QR. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").*

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, Petroineos Trading Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Petroineos Trading Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and can be obtained from the Company Secretary, 5 Wilton Road, London, SW1V 1AN.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs and;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Petroineos Trading Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

Notes (forming part of the financial statements) *(continued)*

1 Accounting policies *(continued)*

1.1 Measurement convention

The accounting polices set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company meets its day-to-day working capital requirements through its intra-group current account facility. The directors have a reasonable expectation that the Company has adequate resources to continue in administrative existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (forming part of the financial statements) *(continued)*

1 Accounting policies *(continued)*

1.5 Derivative financial instruments

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.6 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.7 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (forming part of the financial statements) *(continued)*

1 Accounting policies *(continued)*

1.8 Post employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan is recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yields at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from the defined benefit plan comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

We are unable to split the assets and liabilities of the scheme between the respective companies and therefore the pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full in the financial statements of Petroineos Manufacturing Scotland Limited. The contributions paid by Petroineos Europe Limited have been recognised in these financial statements as defined contribution.

Notes (forming part of the financial statements) *(continued)*

1 Accounting policies *(continued)*

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.10 Expenses

Interest receivable and interest payable

Interest payable includes interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (forming part of the financial statements) *(continued)*

2 Operating (loss)

Included in (loss) are the following:

	2016	2015
	$m	$m
Administrative Costs	**-**	(0.3)

Auditor's remuneration:

The fee for the audit of these financial statements is £6,200 (2015: £6,000) which is included in the fee of Petroineos Trading Limited.

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Administration	**19**	17
	19	17

The aggregate payroll costs of these persons were as follows:

	2016	2015
	$m	$m
Wages and salaries	**1.6**	1.8
Social security costs	**0.2**	0.2
Pension costs - defined contribution plan (note 9)	**0.1**	0.2
	1.9	2.2

Employee related costs are recovered from other Petroineos companies and therefore is a reduction against the profit and loss account.

4 Directors' remuneration

No directors had benefits accruing under a defined benefit pension scheme (2015: none).

No directors received any fees or remuneration for services as a director of the Company during the financial year.

Notes (forming part of the financial statements) *(continued)*

5 Other interest receivable and similar income

	2016	2015
	$m	$m
Interest income on financial assets not at fair value through profit or loss	23.9	20.9
Total interest receivable and similar income	**23.9**	20.9

Interest receivable and similar income includes income from group undertakings of $23,935,167 (2015: $20,870,628).

6 Tax on profit

Recognised in the profit and loss account

	2016	2015
	$m	$m
UK corporation tax		
Adjustments in respect of prior years	-	(0.6)
Total current tax	-	**(0.6)**

Notes (forming part of the financial statements) *(continued)*

6 Tax on profit *(continued)*

Reconciliation of effective tax rate

	2016	2015
	$m	$m
Total tax credit	-	(0.6)
Profit before taxation	**23.9**	20.6
Profit multiplied by the standard rate of tax in the UK of 20 % (2015:20.25%)	**4.8**	4.2
Deferred tax not recognised	**(4.8)**	(4.2)
Adjustments in respect of prior periods	-	(0.6)
Total tax credit for the year	-	(0.6)

The standard rate of corporation tax in the UK remained at 20% for the entire duration of the period ended 31 December 2016, with a 1% reduction to 19% due to take effect from 1 April 2017. A further reduction in the corporation tax rate to 17% with effect from 1 April 2020 was substantively enacted for accounting purposes on 6 September 2016. Accordingly, the company's profits for this accounting period are taxed at a rate of 20% and deferred taxation has been calculated at a rate of 17%.

Deferred taxation assets are recognised to the extent is likely that profits will be available in future periods. Deferred tax assets are not recognised in respect of non-trade loan relationship deficit of $104.4 million (2015: $128.3 million) and capital losses of $0.3 million (2015: $0.3 million) on the basis that future economic benefits is uncertain given the unpredictability of future profit streams. All tax losses, both recognised and unrecognised can be carried forward indefinitely.

Notes (forming part of the financial statements) *(continued)*

7 Debtors

	2016	2015
	$m	$m
Amounts owed by group undertakings	**847.6**	823.9
	847.6	823.9
Due within one year	**847.6**	823.9

8 Creditors: amounts falling due within one year

	2016	2015
	$m	$m
Other creditors	-	0.2
	-	0.2

Notes (forming part of the financial statements) *(continued)*

9 Post employment benefits

The Company operates both a defined contribution pension scheme and a defined benefits pension scheme.

The defined benefit scheme covers employees of Petroineos Europe Limited, Petroineos Trading Limited and Petroineos Manufacturing Scotland Limited. The fund is managed by Trustees, who are directors of Innovene Trustee Limited which has a trust deed in favour of Petroineos Europe Limited. The full scheme has been included in the financial statements of Petroineos Manufacturing Scotland Limited as we are unable to split the assets and liabilities of the scheme by company. The majority of the employees who are participants in the pension scheme are employees of Petroineos Manufacturing Scotland Limited. Therefore the Company's pension contributions have been accounted for as an expense as if they were contributions to a defined contribution scheme and no further IAS 19 disclosures have been made in these financial statements with regards to the UK pension fund. On 31 December 2013 the defined pension plan was closed for future service accrual.

As the Innovene Pension Plan is administered and funded by the main employer within the scheme, Petroineos Manufacturing Scotland Limited, Petroineos Europe Limited made no contributions to the scheme in 2016 and there are no plans for them to contribute to the scheme in the future.

Under the terms of the scheme the employer companies are jointly and severally liable for the financial obligations to the scheme. Should one employer be unable to fulfil their financial obligations to the scheme the liabilities would fall to the other employers within the scheme. The total deficit of the scheme at 31 December 2016 was £61.3 million (2015: £18.3 million).

The most recent actuarial valuation of the scheme was carried out at 31 December 2014.

Defined Contribution plans

The Company participates in a defined contribution pension plan. The total expense relating to this plan in the current year was $131,091 (2015: $150,546).

10 Capital

Share capital		No. of shares
Ordinary shares of £0.0001		650,475,003
	2016	2015
	$m	$m
Allotted, called up and fully paid		
At 1 January	**0.1**	0.1
Issued during the year	**-**	-
At 31 December	**0.1**	0.1

As the reporting currency of the Company is US dollars the share capital has been converted to dollars at the effective rate of exchange ruling at the date of issuance.

Notes (forming part of the financial statements) *(continued)*

11 Related parties

Other related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow subsidiaries under common ownership.. Transactions entered into, and trading balances outstanding at 31 December with other related parties, are as follows:

Other related party transactions

	Expenses incurred from related party	
	2016	2015
	$m	$m
Petroineos Refining Limited Group	**0.2**	0.2
Ineos Group Holdings S.A Group	**-**	0.1
	0.2	0.3

12 Controlling parties

The immediate parent undertaking of the Company is Petroineos Trading Limited, a company incorporated in Jersey and ultimate parent is PetroChina Company Limited.

Petroineos Trading Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. PetroChina Company Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements. The financial statements of the smallest and largest group consolidating the Company may be obtained from:
The Secretary
Petroineos Trading Limited
5 Wilton Road
London
SW1V 1AN