

Registered in England and Wales: 00524284

SHELL VENTURES U.K. LIMITED

DIRECTORS' REPORT

AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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SHELL VENTURES U.K. LIMITED

STRATEGIC REPORT

The Directors present their strategic report on Shell Ventures U.K. Limited (also referred to as the "Company") for the year ended 31 December 2016.

The Company is one of the entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies in which Royal Dutch Shell plc, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. Companies in which Group companies have significant influence but not control are classified as "Associated companies". Royal Dutch Shell plc, a company incorporated in England and Wales, is known as the "Parent Company" of the Shell Group. In this Report "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

BUSINESS REVIEW

The Company is a holding company for certain companies within the Shell Group of Companies in the United Kingdom and holds an environmental provision. The Company will continue in this capacity for the foreseeable future.

The Company's loss for the financial year was £223,000 (2015: profit of £3,685,000). This decrease is mainly as a result of dividend income which was nil in 2016 (2015: £3,523,000).

The Directors consider that the year end financial position of the Company was satisfactory.

Principal Risks and Uncertainties

The Shell Group has a single risk based control framework – The Shell Control Framework – to identify and manage risks. The Shell Control Framework applies to all wholly owned Shell companies and to those ventures and other companies in which Royal Dutch Shell has directly or indirectly a controlling interest. From the perspective of the Company, the principal risks and uncertainties affecting the Company are considered to be those that affect the Shell Group. Accordingly, the principal risks and uncertainties of the Shell Group, which are discussed on pages 12 to 15 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2016 (the "Group Report"), include those of the Company. (The Group Report does not form part of this report).

Key Performance Indicators

Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Integrated Gas and Oil Sands and the Downstream businesses of Oil Products and Chemicals. The Company's key performance indicators, that give an understanding of the development, performance and position of the business, are aligned with those of the Shell Group. The development, performance and position of the various businesses is discussed on pages 22 to 48 of the Group Report and the key performance indicators through which the Group's performance is measured are as set out on pages 20 to 21 of the Group Report.

By order of the Board



Elizabeth Williams
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary

19 September 2017

SHELL VENTURES U.K LIMITED

DIRECTORS' REPORT

The Directors present their report and audited accounts for the year ended 31 December 2016.

The Directors' report and audited accounts of the Company have been prepared in accordance with the Companies Act 2006.

Dividends

The Directors recommend that no dividend be paid for the year ended 31 December 2016 (2015: £nil).

Future outlook

No significant change in the business of the Company or of its subsidiary undertakings has taken place during the year or is expected in the immediately foreseeable future.

DIRECTORS

The Directors of the Company who served throughout the year and to the date of this report were:

A.J. Burston	Resigned 17 May 2017
M.J. Coates	Resigned 03 July 2017
G.J. Archibald	Appointed 30 September 2016
S.J. Judd	Appointed 7 September 2017
Shell Corporate Director Limited	Appointed 7 September 2017

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 71 to 72 and note 20).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Directors' Report and the Company's accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the Company's accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make 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 accounts; and
- Prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

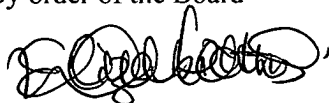
SHELL VENTURES U.K LIMITED

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

All Directors in office at the date of approval of the Directors' report confirm that so far as each of the Directors is aware, there is no relevant audit information (meaning information needed by the Company's auditors in connection with preparing their report) that has not been disclosed to the Company's auditors. Each of the Directors believes that he or she has taken all steps that ought to have been taken to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



Elizabeth Williams
Authorised signatory for
Shell Corporate Secretary Limited
Company Secretary

19 September 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL VENTURES U.K. LIMITED

We have audited the financial statements of Shell Ventures U.K. Limited for the year ended 31 December 2016 which comprise Profit and Loss Account and the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 (Page No. 2 to 3), 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHELL VENTURES U.K.
LIMITED (continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young LLP

William Testa (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditors
London, United Kingdom

21 September 2017

SHELL VENTURES U.K. LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2016

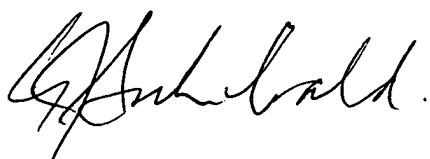
Continuing operations	Note	2016 £ '000	2015 £ '000
Other income		72	161
		<hr/> 72	<hr/> 161
Other expense		(293)	-
		<hr/> (219)	<hr/> 161
OPERATING (LOSS)/ PROFIT		<hr/> (219)	<hr/> 161
Income from shares in Group undertakings:			
Subsidiary undertakings		-	3,523
		<hr/> -	<hr/> 3,523
(LOSS)/PROFIT BEFORE INTEREST AND TAXATION		<hr/> (219)	<hr/> 3,684
Interest receivable and similar income	3	66	81
Interest payable and similar charges	4	(60)	(64)
		<hr/> (213)	<hr/> 3,701
(LOSS)/PROFIT BEFORE TAXATION	5	<hr/> (213)	<hr/> 3,701
Tax on (Loss)/Profit	6	(10)	(16)
		<hr/> (223)	<hr/> (16)
(LOSS)/PROFIT FOR THE YEAR		<hr/> (223)	<hr/> 3,685

The loss for the current year and the profit for the prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

SHELL VENTURES U.K. LIMITED**REGISTERED IN ENGLAND AND WALES: 00524284****BALANCE SHEET****As at 31 December 2016**

	Note	2016 £ '000	2015 £ '000
FIXED ASSETS			
Investments	7	2,900	2,900
CURRENT ASSETS			
Debtors	8	21,271	21,226
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(4,326)	(4,323)
NET CURRENT ASSETS		16,945	16,903
TOTAL ASSETS LESS CURRENT LIABILITIES		19,845	19,803
PROVISIONS FOR LIABILITIES	10	(1,770)	(1,505)
NET ASSETS		18,075	18,298
EQUITY			
Called up share capital	11	1,000	1,000
Profit and loss account		17,075	17,298
TOTAL EQUITY		18,075	18,298

The accounts on pages 6 to 17 were approved by the Board of Directors on 19 September 2017 and were signed on its behalf by:



G.J. Archibald
Director

SHELL VENTURES U.K. LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

	Called-up Share Capital £ '000	Profit and loss account £ '000	Total £ '000
Balance as at 1 January 2015	1,000	13,613	14,613
Profit for the year	-	3,685	3,685
Balance as at 31 December 2015	1,000	17,298	18,298
Balance as at 1 January 2016	1,000	17,298	18,298
Loss for the year	-	(223)	(223)
Balance as at 31 December 2016	1,000	17,075	18,075

SHELL VENTURES U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

General company information

The Company is a limited company, which is incorporated in England and Wales. The registered office is Shell Centre, London SE1 7NA, United Kingdom.

1. Summary of significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"), which involves the application of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure. The financial statements have been prepared under the historical cost convention except for certain items measured at fair value and in accordance with the Companies Act 2006.

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

The accounting policies have been consistently applied.

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

The following exemptions from the disclosure requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(d), (statement of cash flows);
 - (ii) 16 (statement of compliance with all IFRS);
 - (iii) 38A (requirement to present a minimum of two statements for each of the primary financial statement, including cashflow statements and related notes);
 - (iv) 38B-D (additional comparative information);
 - (v) 111 (cash flow statement information); and
 - (vi) 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

SHELL VENTURES U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

1. Summary of significant accounting policies (continued)

b) Consolidation

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

The immediate parent Company is Shell Holdings (U.K.) Limited

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

The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc
Tel: +31 888 800 844
email: order@shell.com
Registered Office: Shell Centre, London, SE1 7NA

c) Income from shares in subsidiary and participating undertakings

Income from shares in subsidiary and participating undertakings represents dividends relating to the current year and prior periods, provided that the dividends have been approved by the Company.

d) Taxation

Corporation tax

The Company records a tax charge or credit in profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity which is calculated at the tax rates and laws that are enacted or substantively enacted by the balance sheet date for tax payable to HM Revenue and Customs, or for Group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested.

e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

SHELL VENTURES U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

1. Summary of significant accounting policies (continued)

e) Foreign currency translation (continued)

(ii) Transaction and balances

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

Monetary assets and liabilities recorded in foreign currencies have been expressed in Pounds Sterling at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of transaction. No subsequent translations are made once this has occurred.

Foreign currency amounts have been translated at £1 = USD 1.2290 (2015: £1 = USD 1.4828), being the relevant exchange rate prevailing at the balance sheet date.

f) Financial assets

(i) Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise trade receivables, contractual loans and cash on the balance sheet.

(ii) Recognition and measurement

Loans and trade and other receivables are initially recognised at fair value based on the amounts exchanged and are subsequently carried at amortised cost using the effective interest method, less any provision for impairment. Loans and trade and other receivables are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

g) Financial liabilities

(i) Classification

The Company classifies its financial liabilities as other financial liabilities at amortised cost. The classification depends on the nature of the underlying liabilities, with management determining the classification of financial liabilities at initial recognition.

(ii) Recognition and measurement

Financial liabilities are initially recognised at fair value, and then subsequently at amortised cost using the effective interest rate method.

SHELL VENTURES U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

1. Summary of significant accounting policies (continued)

h) Investment in subsidiaries and participating undertakings

These comprise investments in shares that the Company intends to hold on a continuing basis. The investments in subsidiaries and participating undertakings are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with IAS 36. Any impairments are recorded in the profit and loss account

i) Provisions

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

Environmental provisions are recognised for all remediation liabilities that exist at the balance sheet date. These provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted.

j) Netting-off policy

Balances with other companies of the Shell Group are stated gross, unless both of the following conditions are met:

- (i) Currently there is a legally enforceable right to set off the recognised amounts; and
- (ii) There is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

k) Interest income

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

l) Related party disclosures

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

SHELL VENTURES U.K. LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2016****2. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Provision for environmental remediation

A provision is recognised for the future restoration of a production facility on account of any contamination at the end of its economic life. Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes. The discount rate applied is reviewed annually.

3. Interest receivable and similar income

	2016 £ '000	2015 £ '000
Interest from fellow Subsidiary undertakings	66	81

4. Interest payable and similar charges

	2016 £ '000	2015 £ '000
Unwinding of discount on long term provisions (refer to note 10)	60	64

5. (Loss)/Profit before taxation

(Loss)/Profit before taxation is stated after crediting the following:

	2016 £ '000	2015 £ '000
Income from shares in subsidiary undertakings	-	3,523

The Company's auditors were PricewaterhouseCoopers LLP for the year ended 31 December 2015. Ernst Young LLP have been appointed as the Company's auditors for the year ended 31 December 2016.

The Auditors' remuneration of £1,650 (2015: £4,480) in respect of the statutory audit was borne by a fellow subsidiary undertaking for both the current and preceding years.

The Company had no employees during 2016 (2015: none).

SHELL VENTURES U.K. LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2016****6. Tax on (Loss)/Profit****a. Tax charge included in (Loss)/Profit**

The tax charge for the year of £10,406 (2015: £16,000) is made up as follows:

	2016 £ '000	2015 £ '000
UK corporation tax charge on (Loss)/Profit for the period	10	16
Total current tax charge	<u>10</u>	<u>16</u>

b. Reconciliation of total tax charge

The tax assessed for the year differs from the standard effective rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £ '000	2015 £ '000
(Loss)/Profit before taxation	(213)	3,701
Tax on (Loss)/Profit at standard UK corporation tax rate of 20% (2015: 20.25%)	(43)	749
Effects of:		
Income not assessable	(14)	(746)
Expenses not deductible	67	13
Total tax on (Loss)/Profit	<u>10</u>	<u>16</u>

c. Factors affecting current and future tax charges

Reductions of the UK corporation tax rate to 21% effective from 1 April 2014, and to 20% effective from 1 April 2015 were introduced by the Finance Act 2013 and enacted on 17 July 2013.

UK Finance (No 2) Act 2015 which introduced further reductions in the UK corporation tax rate to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020 was enacted on 15 November 2015.

SHELL VENTURES U.K. LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2016****7. Investments**

	Subsidiary undertakings Shares £ '000
Cost	
Balance at 1 January 2016	2,900
Balance at 31 December 2016	<u>2,900</u>
Net book amount	
At 1 January 2016	2,900
At 31 December 2016	<u>2,900</u>

The Directors believe that the carrying value of the investments is supported by their underlying net assets or discounted cash flows.

Subsidiary undertakings

The subsidiary undertakings as at 31 December 2016 were as follows:

Name of Company	Country of Incorporation	Registered Office	% of shares held
Glossop Limited	England & Wales	8 York Road, London, SE1 7NA	100.00%
Meteor Lead Limited*	England & Wales	8 York Road, London, SE1 7NA	100.00%

All shares held are ordinary shares.

*The Subsidiary Meteor Lead Limited is in the process of liquidation.

SHELL VENTURES U.K. LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2016****8. Debtors**

	2016 Within 1 Year £ '000	2015 Within 1 Year £ '000
Amounts owed by Group undertakings:		
Fellow subsidiary undertakings	21,271	21,220
Other debtors	-	6
	<u>21,271</u>	<u>21,226</u>

Amounts owed by Group undertakings are unsecured, with interest rate ranging from 0.0888% to 0.4402% have no fixed date of repayment and are repayable on demand.

9. Creditors: amounts falling due within one year

	2016 £ '000	2015 £ '000
Amounts owed to Group undertakings:		
Subsidiary undertakings	4,284	4,284
Tax payable	42	39
	<u>4,326</u>	<u>4,323</u>

Amounts owed to Group undertakings are repayable on demand and are not interest bearing.

10. Provisions for liabilities

	Environmental provision £ '000
Balance at 1 January 2016	1,505
Changes in estimates	(71)
Translation difference	276
Unwinding of discount	60
Balance at 31 December 2016	<u>1,770</u>

The environmental provision relates to a contaminated site in France and has been discounted at 4% (2015: 4%). Costs are expected to be incurred in 2018 although this cannot be predicted with complete certainty.

SHELL VENTURES U.K. LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2016****11. Called up share capital**

	2016 £ '000	2015 £ '000
Authorised 1,000,000 (2015: 1,000,000) ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid 1,000,000 (2015: 1,000,000) ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

12. Directors

None of the Directors received any emoluments (2015: £nil) in respect of their services to the Company.