

Registration number: 00524284

Shell Ventures U.K. Limited

Annual Report

and

Financial Statements

For the year ended 31 December 2017



Shell Ventures U.K. Limited

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Shell Ventures U.K. Limited

Strategic report for the year ended 31 December 2017

The Directors present their strategic report on Shell Ventures U.K. Limited (also referred to as the "Company") for the year ended 31 December 2017.

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 where Royal Dutch Shell plc, either directly or indirectly, is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. 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 with these activities for the foreseeable future.

The Company's loss for the financial year decreased from £223,000 to £45,000. This is mainly as a result of decrease in loss on currency translation difference from £279,000 to £69,000 partially offset by decrease in interest income from £66,000 to £27,000 due to a reduction of interest rates.

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 16 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2017 (the "Group Report"), include those of the Company. (The Group Report does not form part of this report).

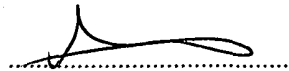
Shell Ventures U.K. Limited

Strategic report for the year ended 31 December 2017 (continued)

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 24 to 53 of the Group Report and the key performance indicators through which the Group's performance is measured are as set out on pages 22 to 23 of the Group Report.

Approved by the Board on 14/5/18 and signed on its behalf by:



Juwon Osundina
Authorised signatory for
Shell Corporate Secretary Limited
Company secretary

Shell Ventures U.K. Limited

Directors' report for the year ended 31 December 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

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

Dividends

No dividends were paid during the year (2016: £nil).

Future Outlook

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

Directors' of the company

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

G.J.Archibald

S.J.Judd (appointed 7 September 2017)

A.J.Burston (resigned 17 May 2017)

Shell Corporate Director Limited (appointed 7 September 2017)

M.J.Coates (resigned 3 July 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 82 to 83 and note 19).

Shell Ventures U.K. Limited

Directors' report for the year ended 31 December 2017 (continued)

Statement of Directors' responsibilities

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


- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

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

Approved by the Board on 14/5/18 and signed on its behalf by:


.....
Juwon Osundina
Authorised signatory for
Shell Corporate Secretary Limited
Company secretary

Independent Auditor's Report to the Member of Shell Ventures U.K. Limited

Opinion

We have audited the financial statements of Shell Ventures U.K. Limited (the "Company") for the year ended 31 December 2017, which comprise the Profit and loss account, Balance sheet, Statement of changes in equity, and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the Company's member, 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 member those matters we are required to state to them in an auditors' 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Independent Auditor's Report to the Member of Shell Ventures U.K. Limited (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the 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:

Independent Auditor's Report to the Member of Shell Ventures U.K. Limited (continued)

- 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.

Responsibilities of Directors

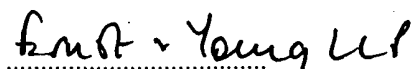
As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



William Testa (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 17 May 2018

Shell Ventures U.K. Limited

Profit and loss account for the year ended 31 December 2017

Continuing operations

	Note	2017 £ 000	2016 £ 000
Other income/(expense)		4	(219)
OPERATING PROFIT/(LOSS)	5	4	(219)
PROFIT/(LOSS) BEFORE INTEREST AND TAXATION		4	(219)
Interest receivable and similar income	3	27	66
Interest payable and similar charges	4	(71)	(60)
LOSS BEFORE TAXATION		(40)	(213)
Tax on loss	7	(5)	(10)
LOSS FOR THE YEAR		(45)	(223)

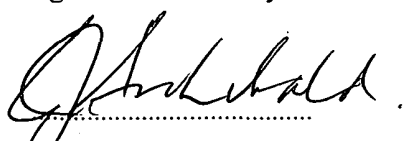
The loss for the current year and for the prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

Shell Ventures U.K. Limited

(Registration number: 00524284)
Balance sheet as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Investments	8	<u>2,900</u>	<u>2,900</u>
		<u>2,900</u>	<u>2,900</u>
Current assets			
Debtors	9	<u>21,283</u>	<u>21,271</u>
		21,283	21,271
Creditors: Amounts falling due within one year	10	<u>(4,316)</u>	<u>(4,326)</u>
Net current assets		<u>16,967</u>	<u>16,945</u>
Total assets less current liabilities		<u>19,867</u>	<u>19,845</u>
Provisions	11	<u>(1,837)</u>	<u>(1,770)</u>
Net assets		<u>18,030</u>	<u>18,075</u>
Equity			
Called up share capital	12	1,000	1,000
Profit and loss account		<u>17,030</u>	<u>17,075</u>
Total equity		<u>18,030</u>	<u>18,075</u>

The accounts on pages 8 to 20 were authorised for issue by the Board of Directors on 14.5.18 and 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 2017

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
Balance as at 01 January 2016	1,000	17,298	18,298
Loss for the year	-	(223)	(223)
Total comprehensive income for the year	-	(223)	(223)
Balance as at 31 December 2016	<u>1,000</u>	<u>17,075</u>	<u>18,075</u>
Balance as at 01 January 2017	1,000	17,075	18,075
Loss for the year	-	(45)	(45)
Total comprehensive income for the year	-	(45)	(45)
Balance as at 31 December 2017	<u>1,000</u>	<u>17,030</u>	<u>18,030</u>

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017

General information

The Company is a private company limited by share capital incorporated in England and Wales.
The address of its registered office is: Shell Centre, London, SE1 7NA, United Kingdom (UK).

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, 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'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- 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';

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(d), (statement of cash flows);
 - (ii) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - (iii) 16 (statement of compliance with all IFRS);
 - (iv) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
 - (v) 38B-D (additional comparative information);
 - (vi) 40A-D (requirements for a third balance sheet);
 - (vii) 111 (cash flow statement information); and
 - (viii) 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.

Consolidation

The financial statements contain information about Shell Ventures U.K. Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Royal Dutch Shell plc, a company incorporated in England and Wales.

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

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Taxation

Tax is recognised in profit or loss, except that tax attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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.

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.

(ii) Transaction and balances

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

Monetary assets and liabilities recorded in foreign currencies have been expressed in £ 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 the transaction. No subsequent translations are made once this has occurred.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss; loans and receivables; and available for sale. 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 trade and other receivables

Loans and trade and other receivables are initially recognised at fair value based on the amounts exchanged and are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Financial liabilities

The Company classifies its financial liabilities in the following categories: at fair value through profit or loss; and amortised cost. The classification depends on the nature of the underlying liabilities, with management determining the classification of financial liabilities at initial recognition.

Loans and trade and other creditors

Loans and trade and other creditors are initially recognised at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Investment in subsidiaries and participating undertakings

These comprise investments in shares and loans 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.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value at a rate intended to reflect the time value of money where the effect of time value of money is material.

Netting off policy

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

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

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

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.

2 Critical accounting judgements and key sources of estimation uncertainty

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.

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

	2017 £ 000	2016 £ 000
Interest from Group undertakings:		
Fellow subsidiary undertakings	27	66
	<u>27</u>	<u>66</u>

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

4 Interest payable and similar charges

	2017 £ 000	2016 £ 000
Unwinding of discount on long term provisions (note 11)	71	60
	<u>71</u>	<u>60</u>

5 Operating profit/(loss)

Arrived at after charging:

	2017 £ 000	2016 £ 000
Currency translation:		
Trading activities	69	279

The Company had no employees during 2017 (2016: none).

None of the Directors received any emoluments (2016: none) in respect of their services to the Company.

6 Auditors' remuneration

The Auditors' remuneration of £1,314 (2016: £1,650) in respect of the statutory audit was borne by the immediate parent company for both the current and preceding years.

Fees paid to the Company's auditors and its associates for non-audit services to the Company itself are not disclosed in the individual accounts of the Company because the Royal Dutch Shell plc consolidated accounts are required to disclose such fees on a consolidated basis.

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

7 Tax on loss

Tax charge in the profit and loss account

The tax charge for the year of £5 thousands (2016: £10 thousands) is made up as follows:

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	5	10
Total current tax charge	<u>5</u>	<u>10</u>
Tax charge in the profit and loss account	<u>5</u>	<u>10</u>

The tax on loss before tax for the year differs from the standard rate of corporation tax in the UK of 19.25% (2016 - 20.0%).

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Loss before tax	40	213
Tax on loss calculated at standard rate (2017- 19.25%) (2016- 20.00%)	(8)	(43)
Effects of:		
Income exempt from taxation	(14)	(14)
Expenses not deductible	27	67
Total tax charge	<u>5</u>	<u>10</u>

UK Finance Act (No 2) Act 2015 which introduced 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.

UK Finance Act 2016 which introduced further reductions in the UK corporation tax rate to 17% effective 1 April 2020 was enacted on 15 September 2016.

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

8 Investments

	Subsidiary undertakings shares £ 000	Total £ 000
Cost		
Balance at 1 January 2017	2,900	2,900
Balance at 31 December 2017	2,900	2,900
Amounts provided		
Balance at 31 December 2017	-	-
Carrying amount		
At 31 December 2017	2,900	2,900
At 31 December 2016	2,900	2,900

Details of the subsidiaries as at 31 December 2017 are as follows:

Name of subsidiary	Registered office and County of incorporation	Class of shares	% of ownership
Glossop Limited	8 York Road, London, SE1 7NA England and Wales	Ordinary Shares	100%

All shares held are ordinary shares.

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

9 Debtors

Amounts due within one year:

	2017 £ 000	2016 £ 000
Amount owed by Group undertakings:		
Fellow subsidiary undertakings	21,283	21,271
	<u>21,283</u>	<u>21,271</u>

Amounts owed by Group undertakings are unsecured, with an average interest rate of 0.1265%, have no fixed date of repayment and are repayable on demand.

10 Creditors: amounts falling due within one year

	2017 £ 000	2016 £ 000
Amounts owed to Group undertakings		
Subsidiary undertakings	4,284	4,284
Tax liability	32	42
	<u>4,316</u>	<u>4,326</u>

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

11 Provisions

	Decommissioning and restoration £ 000	Total £ 000
Balance as at 1 January 2017	1,770	1,770
Decrease in existing provisions	(73)	(73)
Increase due to unwinding of discount	71	71
Increase due to foreign exchange differences	69	69
Balance as at 31 December 2017	<u>1,837</u>	<u>1,837</u>

Shell Ventures U.K. Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

11 Provisions (continued)

The environmental provision relates to a contaminated site in France and has been discounted at 4% (2016: 4%). Costs are expected to be incurred in 2019 although this cannot be predicted with complete certainty.

12 Called up share capital

Allotted, called up and fully paid shares

	No.	2017 £ 000	No.	2016 £ 000
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000</u>	<u>1,000,000</u>	<u>1,000</u>