

Company registration number

4365240

Glencore Services (UK)
Limited

REPORT AND
FINANCIAL STATEMENTS
2017



Table of contents

Officers and professional advisers	3
Strategic report	4
Directors' report	5
Directors' responsibilities statement	6
Independent auditor's report	7
Financial statements	9
Notes to the financial statements	12

Officers and professional advisers

Directors

Alexander Frank Beard

Andrew Gibson

(Resigned: 28.03.2018)

John William Burton

Carlos Perezagua Marin

Secretary

Nicholas Reid

Registered office

50 Berkeley Street

London

W1J 8HD

Auditor

Deloitte LLP

London, England

Company registration number

4365240

Strategic report

The directors present their Strategic report for Glencore Services (UK) Limited (the "Company") for the year ended 31 December 2017 to provide a review of the Company's business, principal risks and uncertainties and performance and position. The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Organisation and principal activity

The Company was incorporated on 1 February 2002 (Companies House registration no. 4365240) and is a wholly owned subsidiary of Glencore (Schweiz) AG (the "Parent"). The ultimate parent company is Glencore plc, a company incorporated in Jersey. The Company's principal activity during the year was to administer two corporate properties previously let by the Company, which were vacated and sublet from 2013. These leases expired in 2017. There is now limited activity in the Company.

Business review

As shown in the Profit and Loss account on page 9, the profit for the year, after taxation, was £1 058k (2016: £707k), an increase of £351k. The Balance Sheet on page 10 shows that the Company's financial position at the year-end for net assets has increased compared with the prior year by £1 058k to £40 923k. The directors do not recommend the payment of a dividend. There have been no significant events since the balance sheet date that require disclosure or would cause any of the assets or liabilities reported in these financial statements to be restated.

Principal risks and risk governance

The Board of Directors is responsible for approving risk management principles and policies, and ensuring that the Company's management maintains an effective system of internal controls. The management is responsible for managing risk within the framework of principles and policies approved by the Board.

Interest rate and foreign exchange risk

The Company monitors its interest rate risk, considering any material exposures. The British Pound is the functional currency of the Company, as the majority of transactions are denominated in British Pounds. The Company is exposed to the risks of changes in foreign currency exchange rates with regard to its activities, which are not denominated in British Pounds.

Credit risk and performance risk

The Company's principal financial assets are cash and debtors. The Company's credit and performance risk is primarily attributable to its debtors. Credit risk is mitigated by the fact that the Company's debtors are mainly other Group companies, which benefit from the support of the ultimate parent company.

Approved by the directors and signed on behalf of the Board


John Burton
Director

26 September 2018

Directors' report

The Strategic report starting on page 4 contains details of the principal activities of the Company and provides information on the Company's business during the year and indications of likely future developments.

Directors

The directors who held office during the year and subsequently are shown on page 3.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year, which remain in force at the date of this report.

Going concern

After considering the Company's forecasts and projections, taking into account reasonably possible changes in performance, the timing of the settlement of liabilities and the impact of the risks and uncertainties, it is considered appropriate to continue to adopt the going concern basis.

Further details regarding the adoption of the going concern basis can be found in Note 2.

Political and charitable contributions

No charitable contributions were made during the year (2016: £nil). No political contributions were made during the year (2016: £nil).

Auditor


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

1. so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed to be reappointed as auditors in the absence of an Annual General Meeting.

Approved by the directors and signed on behalf of the Board of Directors



John Burton
Director

26 September 2018

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework has 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 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.

Independent auditor's report to the members of Glencore Services (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Glencore Services (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 respect of these matters

Independent auditor's report to the members of Glencore Services (UK) Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

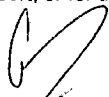
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Christopher Jones FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, England

26 September 2018

Financial statements

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

GBP £'000

	Notes	2017	2016
Other operating income		999	829
Operating profit	3	999	829
Gain/(loss) on foreign exchange, net		59	-122
Profit on ordinary activities before taxation		1 058	707
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		1 058	707

All activities derive from continuing operations.

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

There are no recognised profit or losses attributable to the shareholder of the Company other than the profit of £1 058k for the year ended 31 December 2017 (2016: the profit of £707k).

COMPANY REGISTRATION NUMBER 4365240
BALANCE SHEET
AS AT 31 DECEMBER 2017

GBP £'000

	Notes	2017	2016
Current assets			
Debtors	7	62 533	62 191
Cash and bank balances		21	16
Creditors: amounts falling due within one year	8	-21 631	-21 986
Net current assets		40 923	40 221
Total assets less current liabilities		40 923	40 221
Onerous lease provision	9		-356
Net assets		40 923	39 865
Equity			
Share capital	10		
Share premium		61 748	61 748
Retained earnings		-20 825	-21 883
Total shareholders' funds		40 923	39 865

* Called up share capital is £4 as at 31 December 2017 (2016:£4).

These financial statements were approved by the Board of Directors on 26 September 2018.

Signed on behalf of the Board of Directors



John Burton
Director

26 September 2017

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

GBP £'000

	Share capital (note 10)	Share premium	Profit and loss account	Total
As at 1 January 2016	-*	61 748	-22 590	39 158
Profit on ordinary activities after taxation	-*	-	707	707
As at 31 December 2016	-*	61 748	-21 883	39 865
Profit on ordinary activities after taxation	-*	-	1 058	1 058
As at 31 December 2017	-*	61 748	-20 825	40 923

* Called up share capital is £4 for the year ended 31 December 2017 (2016:£4).

Notes to the financial statements

1. GENERAL INFORMATION

Glencore Services (UK) Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 3. The nature of the Company's operations and its principal activities are set out in the strategic report on page 4.

These financial statements are presented in GBP because that is the currency of the primary economic environment in which the Company operates.

The group accounts of Glencore plc (the "ultimate parent company") are available to the public and can be obtained as set out in note 12 and at the registered office address of the ultimate parent company preparing consolidated accounts.

2. ACCOUNTING POLICIES

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

In accordance with FRS 101 the Company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 101 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 101.

Exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective and related party transactions. Where relevant, equivalent disclosures have been given in the group accounts of the ultimate parent company.

These financial statements have been prepared under the historical cost convention and in accordance with Generally Accepted Accounting Principles and law in the United Kingdom. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The Company has adopted the following principal accounting policies:

2. ACCOUNTING POLICIES (CONTINUED)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and indicate it is appropriate to adopt the going concern basis in preparing these financial statements.

Currency of financial statements

As the Company undertakes the majority of its transactions in GBP, these financial statements have been prepared in that currency.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and a reliable estimate can be made of a probable adverse outcome.

Taxation

Income taxes consist of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the period end on expected current taxable income, and any adjustment to tax payable in respect of previous years. The Company assesses its liabilities and contingencies for all years based upon the latest tax information available. Where it is probable that an adjustment will be made, the Company records a tax liability, including related interest charges. The Company believes it has adequately provided for the outcome of all tax matters, but future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the final assessments are made. Deferred taxes are recognised for timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, using enacted or substantively enacted income tax rates, which are expected to be effective at the time of reversal of the underlying temporary difference. Deferred tax assets and unused tax losses are only recognised to the extent that their recoverability is probable.

Deferred tax assets are reviewed at reporting period end and amended to the extent that it is no longer probable that the related benefit will be realised. To the extent that a deferred tax asset is not previously recognised but which subsequently fulfils the criteria for recognition, an asset is then recognised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same authority and the Company has both the right and the intention to settle its current tax assets and liabilities on a net or simultaneous basis. The tax effect of certain temporary differences is not recognised principally with respect to the initial recognition of an asset or liability (other than those arising in a manner that initially affected accounting or taxable profit).

Current and deferred tax are recognised as an expense or income in the profit and loss account, except when they relate to items that are recognised outside the profit and loss account (whether in other gains and losses or directly in equity).

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency transactions

Foreign currency transactions are booked at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into the functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are recorded in the profit and loss account. Foreign currency non-monetary assets and liabilities are not restated at balance sheet date.

2. ACCOUNTING POLICIES (CONTINUED)

Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

3. OPERATING PROFIT

GBP £'000

	2017	2016
Operating profit is stated after:		
Auditor's remuneration	-10	-10
Other Income	-	294

4. STAFF COSTS

Employee disclosure

The average monthly number of employees (excluding directors) was nil (2016: nil).

5. DIRECTORS' REMUNERATION

None of the directors received any fees or remuneration for their services as a director of the Company during the financial year (2016: £nil) either from the Company or any other entity within the Glencore Group.

6. TAXATION

GBP £'000

	2017	2016
UK Current Tax		
UK corporation tax on profits for the period	-	-
Adjustments in respect of previous periods	-	-
UK Deferred Tax		
Tax (credit)/charge on profits of the period	-	-
Adjustments in respect of previous periods	-	-
Tax (credit)/charge on profit on ordinary activities	-	-

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 19%/20% (2016: 20%). The differences are reconciled below:

GBP £'000

	2017	2016
Profit/(loss) on ordinary activities before taxation	1 058	707
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 19%/20% (2016: 20%)	204	141
Effects of:		
Utilisation of tax attributes on which deferred tax was not previously recognised	-149	-141
Group relief claimed for nil consideration	-55	-
Tax (credit)/charge for the year	-	-

The headline rate of UK corporation tax reduced from 23% to 21% on 1 April 2014, and following enactment of Finance Act 2013, it reduced further to 20% from 1 April 2015. On 18 November 2015, proposals to reduce the main rate of corporation tax from the current 20% to 19% from 1 April 2017 and to 18% from 1 April 2020 were enacted into UK law. Revised legislation was introduced in Finance Bill 2016 and enacted at the balance sheet date to reduce the main rate of corporation tax to 17% instead of 18% from 1 April 2020.

A deferred tax asset of £637k has not been recognised as at 31 December 2017, which relates to the £3.7m temporary difference between the accounting net book value and the tax base of qualifying assets, as the directors are of the opinion that based on the recent forecast activities, there will not be sufficient taxable profits available in the Company to recover the assets in the future.

7. DEBTORS

GBP £'000

	2017	2016
Amounts due within one year		
Amounts owed by group companies	62 533	61 862
Other debtors	-	329
Total	62 533	62 191

8. CREDITORS

GBP £'000

	2017	2016*
Amounts owed to group companies	20 716	20 706
Accruals	-	357
Other taxation and social security	915	923
Total	21 631	21 986

* including reclassifications

9. PROVISIONS

In 2013, two properties previously occupied under operating leases by the Company were vacated and sub-let to external third parties. The contractual terms of these leases expired during 2017 and the remaining onerous provision was released to the profit and loss account (onerous provision at 31 December 2016: £356k).

GBP £'000

	2017	2016
Onerous lease provision		
Current	-	356
Total	-	356

GBP £'000

At 1 January 2017	356
Utilised	-
Released to Profit and loss account	-356
At 31 December 2017	-

The associated operating lease disclosures required by IAS 17 are shown below.

GBP £'000

	2017	2016
Minimum lease payments		
Not later than one year	-	577
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	-	577
Total future minimum sublease payments	-	525

10. SHARE CAPITAL

	2017	2016
Ordinary shares of £1 each		
Authorised	1 000	1 000
Allotted, called up and fully paid	4	4

Dividends paid

No dividend has been declared or paid during the year (2016: \$nil).

11. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £nil (2016: £nil).

12. IMMEDIATE AND ULTIMATE PARENT COMPANY

The ultimate parent company is Glencore plc a company incorporated in Jersey with registered office at Queensway House, Hilgrove Street, St. Helier, Jersey, JE1 1ES. This is the largest group for which consolidated accounts are prepared. Copies of the consolidated accounts of Glencore plc may be obtained from Queensway House or from www.glencore.com.

The immediate parent of this Company is Glencore (Schweiz) AG, a company incorporated in Switzerland.