Company Registration No. 4542769

Glencore Energy UK Ltd

Annual Report and Financial Statements

31 December 2015

Glencore Energy UK Ltd

Annual report and financial statements 2015

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Glencore Energy UK Ltd

Officers and professional advisors

Directors

A Gibson
A Beard

Secretary

M Hinks *(Resigned 25 September 2015)*
N Reid *(Appointed 25 September 2015)*

Registered office

50 Berkeley Street
London
W1J 8HD

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Glencore Energy UK Ltd

Strategic report

The directors present their Strategic report for the year ended 31 December 2015.

Organisation and principal activity

Glencore Energy UK Ltd (the 'Company') is a wholly-owned subsidiary of Glencore UK Ltd.

The ultimate parent company is Glencore plc, a company incorporated in Jersey.

The principal activity of the Company is the purchase and sale of physical oil and soft commodities. The directors are not aware, at the date of this report, of any likely major changes in the activities of the Company in the next year.

Business review

As shown in the profit and loss account on page 7, the profit for the year after taxation was $44,995,000 (2014: $9,824,000). Gross profit on trading activities has increased by 73.2% in the year. Also, administrative expenses have decreased by 1.9%. The balance sheet on page 8 shows that the Company's financial position at the year-end for net assets has increased compared with the prior year. The directors recommend that no dividend be paid (2014: $nil) and that the profit be transferred to reserves.

The Company seeks to employ the best staff in each of its departments, from trading and operations through to finance and IT. Employees are integral to the success of the Company and performance is recognised accordingly. Please refer to Note 4 for further details.

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

Risk management organisation

Compliance with all limits and control procedures is monitored by the Risk Management and Credit Management departments, which report directly to the Board. The Risk Management and Credit Management departments are responsible for reviewing and approving pricing and risk management models, and for reporting market and credit risk exposures.

Market risks

All market risks are represented on the Company's balance sheet and the positions are recorded and monitored in separate trading books as appropriate.

The Group uses mark-to-market accounting for positions where there is an observable market, in accordance with the measurement requirements of EU-endorsed IFRS. Where no active market exists for a derivative financial instrument, fair value is determined using valuation techniques, including use of recent arm's length transactions and reference to the market value of another instrument which is substantially the same.

Credit and performance risk

The Company's business is concentrated in the global oil, oil products and natural gas and sugar sector, consequently, its trade receivables and market exposure are predominantly with international oil and gas companies, financial institutions and other trading companies. The Company has implemented robust credit and performance risk management policies overseen by the Board of Directors, with the portfolio being assessed on an ongoing basis for credit and performance quality.

Credit and performance risk (continued)

Exposures which exceed authorised levels are minimised through the use of letters of credit, credit insurance, bank payment guarantees and cash collateral. To date, the Company has not suffered any significant credit loss.

Operational and other risks

Operational risk is the exposure to losses that may occur as a consequence of carrying out physical operations, and from inadequate internal processes and systems. The Company assesses the level of operational risk in its various business processes and has implemented a series of checks and backup systems based on the risk assessment. Our procedures are designed to prevent the occurrence of operational errors and, should an error occur, quickly detect its occurrence in order to minimise its impact. Any failure in business process results in a revised risk assessment and review of relevant procedures. Operational risk is considered by the Board of Directors when approving new activities and business ventures.

The Company is party to a trading facilitation agreement with a related party to eliminate all risk of loss on its trading book whilst enabling it to earn a commercial return.

Our legal advisers provide essential advice and guidance to senior management on all business issues to ensure that our business is conducted in a manner that complies with all legal and regulatory requirements.

Liquidity risk management

Liquidity management within the Company has two principal purposes. Firstly, to ensure that sufficient cash is available to meet all contractual commitments as they fall due and, secondly, to ensure that we have sufficient funding to withstand stressed market conditions or an extreme event.

Liquidity is assessed by the Treasury Department based on criteria approved by the Board of Directors.

The Company maintains adequate funding lines with banks and its parent company to ensure sufficient liquidity to meet all financial requirements on a timely basis.

Going concern

The Company's forecasts and projections, taking into account reasonably possible changes in performance and the impact of the risks and uncertainties outlined above, indicate it is appropriate to adopt the going concern basis in preparing these financial statements.

As is customary with commodity trade finance, many bank facilities are uncommitted in nature and, consistent with prior years, are expected to continue uninterrupted for the foreseeable future, and we continue to enjoy a strong relationship with the banking community.

Interest rate and foreign exchange risk

The Company monitors its interest rate risk, considering any material exposures.

The Company is exposed to the risks of changes in foreign currency exchange rates with regard to its trading activities. The US dollar is the functional currency of the Company, as the majority of transactions are denominated in US dollars. Trading activities transacted in currencies other than US dollars (principally euros and pounds sterling) are hedged through forward foreign exchange contracts.

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

Nick Reid

N Reid
Secretary
29 February 2016

Glencore Energy UK Ltd

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

The strategic report starting on page 2 contains details of the principal activity of the Company and provides detailed information on the development of the Group's business during the year and details of exposure to risks and uncertainties and indications of likely future developments.

Directors

The directors who held office during the period and subsequently are shown on page 1.

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.

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 Board of Directors
and signed on behalf of the Board

Nick Reid

N Reid
Secretary
29 February 2016

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 (United Kingdom Accounting Standards and applicable laws) including Financial Reporting Standards 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 those 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 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 Energy UK Ltd

We have audited the financial statements of Glencore Energy UK Ltd for the year ended 31 December 2015 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 20. 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, 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 annual report 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 2015 and of its profit 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

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.

Tom Millar (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
29 February 2016

Glencore Energy UK Ltd

Profit and loss account
Year ended 31 December 2015

Continuing operations	Note	2015 $'000	2014 $'000
Turnover	2	43,024,260	62,504,167
Cost of sales		(42,838,100)	(62,396,682)
Gross profit on trading activities		186,160	107,485
Service fees/other recharges to group companies		15,549	17,231
Service fees/other recharges from group companies		(82,514)	(97,065)
Cost of service activities		(66,965)	(79,834)
Administrative expenses		(29,406)	(29,944)
Other operating expense		(24,109)	(2,348)
Operating profit/(loss)	3	65,680	(4,641)
Interest receivable	5	7,068	8,523
Interest payable	6	(17,192)	(3,844)
Profit on ordinary activities before taxation		55,556	38
Tax (charge)/credit on profit on ordinary activities	7	(10,561)	9,786
Profit on ordinary activities after taxation transferred to reserves		44,995	9,824

Statement of other comprehensive income

	2015 $'000	2014 $'000
Profit for the financial year	44,995	9,824
Total other comprehensive income	-	-
Total comprehensive income	44,995	9,824

Glencore Energy UK Ltd

Company Registration Number 4542769

Balance sheet
31 December 2015

	Note	2015 $'000	2014 $'000
Fixed assets			
Investments	8	16,390	16,390
Current assets			
Stocks	9	1,374,198	887,567
Debtors			
– due within one year	10	6,375,368	6,150,745
– due after one year	10	309,493	277,967
Cash at bank and in hand		97,989	260,909
		8,157,048	7,577,188
Creditors: amounts falling due within one year	11	(7,921,504)	(7,386,536)
Net current assets		235,544	190,652
Total assets less current liabilities, being net assets		251,934	207,042
Capital and reserves			
Called up share capital	14	10	10
Capital contribution reserve	15	10,729	10,832
Profit and loss account	15	241,195	196,200
Total shareholders' funds		251,934	207,042

These financial statements were approved by the Board of Directors on 29 February 2016.

Signed on behalf of the Board of Directors

A Gibson

Director

Glencore Energy UK Ltd

Statement of changes in equity
Year ended 31 December 2015

	Share capital $'000 (note 14)	Capital contribution reserve $'000 (note 15)	Profit and loss account $'000 (note 15)	Total $'000
As at 1 January 2014	10	9,121	186,376	195,507
Profit on ordinary activities after taxation	-	-	9,824	9,824
Transactions with owners				
Equity settled share based payments	-	1,711	-	1,711
As at 31 December 2014	10	10,832	196,200	207,042
Profit on ordinary activities after taxation	-	-	44,995	44,995
Transactions with owners				
Equity settled share based payments	-	(103)	-	(103)
As at 31 December 2015	10	10,729	241,195	251,934

Notes to the financial statements
Year ended 31 December 2015

1. Accounting policies

Glencore Energy UK Ltd is a private limited company incorporated in England and Wales. The address of the registered office is 50 Berkeley Street, London, W1J 8HD.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

Exemptions

The Company has taken advantage of the following exemptions available under FRS 101:

- the exemption from preparing a statement of cash flows;
- the exemption from disclosing key management personnel compensation;
- the exemption from providing certain comparative information;
- the exemption from providing capital management information;
- the exemption from disclosing the impact of standards in issue but not yet adopted; and
- the exemption from disclosing transactions with other wholly-owned members of the group

The Company has taken advantage of the following exemptions available under FRS 101 as equivalent disclosures have been given in the consolidated financial statements of Glencore plc which include the results of Glencore Energy UK Ltd:

- the exemption from the disclosures relating to financial instruments and fair value measurement where these are not required by regulations; and
- reduced disclosures for share based payments

The financial statements of Glencore plc are available from the registered office at Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES or from the company's website at www.glencore.com.

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting, as modified by the inclusion of financial instruments and listed investments at fair value.

Basis of consolidation

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006 and paragraph 4 of IFRS 10 "Consolidated Financial Statements". These financial statements therefore present information about the Company as an individual undertaking and not about its group.

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 business review.

Glencore's forecasts and projections, taking into account reasonably possible changes in performance and the impact of the risks and uncertainties outlined above, indicate it is appropriate to adopt the going concern basis in preparing these financial statements.

As is customary with commodity trade finance, many bank facilities are uncommitted in nature and, consistent with prior years, are expected to continue uninterrupted for the foreseeable future, and we continue to enjoy a strong relationship with the banking community.

Adoption of new and revised Standards

In the current year, the Company has applied a number of revised IFRS standards and interpretations arising from the Annual Improvements to IFRSs 2010-2012 and 2011-2013 cycles, which were adopted as of 1 January 2014. There was no material change to previously reported financial position or financial performance.

1. Accounting policies (continued)

Currency of financial statements

As the Company undertakes the majority of its trading transactions in US dollars, which is its functional currency, these financial statements have been prepared in that currency.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other related taxes.

All charges for purchases, including delivery and hedging on terminal markets and all credits for sales and other charges to customers (with the exception of foreign exchange gains and losses, which are dealt with in accordance with the policy on foreign currencies below) are recognised when all significant risks and rewards of ownership of the assets sold are transferred from the seller to the buyer.

All traded instruments are evaluated with reference to market prices prevailing at the balance sheet date. Unrealised gains and losses on valuation of traded instruments are recognised in the profit and loss account. All assets and liabilities have been disclosed gross unless the Company currently has a legally enforceable right of offset.

Foreign currencies

Transactions during the year in currencies other than US dollars are translated into US dollars at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in currencies other than US dollars are translated into US dollars at the rates ruling at the balance sheet date. Exchange adjustments are dealt with in the profit and loss account in the year in which they arise.

Stocks

Stocks, consisting entirely of commodities held for resale, are held at fair value. Cost includes purchase costs, delivery charges, interest and other direct expenses and net realisable value takes hedging contracts into account, where applicable.

Trade receivables and trade payables

Trade receivables and trade payables (including amounts owed by and to Group companies) are measured at fair value. Appropriate allowances for estimated irrecoverable receivable amounts are recognised in the profit and loss account when there is objective evidence that the asset is impaired. Certain bank loans are secured upon an eligible pool of the receivables; the balances are not offset.

Fixed asset investments

Investments are classified as available-for-sale. Listed investments are measured at fair value which is determined by reference to quoted market prices. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the investment is disposed of at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the profit and loss account.

1. **Accounting policies (continued)**

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 temporary 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 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 impacted 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 comprehensive income or directly in equity).

Derivative financial instruments

The Company trades derivative financial instruments both with third parties and related parties such as commodity trading contracts and forward foreign exchange contracts and classify them as fair value through the profit and loss account. All derivative instruments are measured at fair value upon initial recognition and are re-measured to fair value at each subsequent reporting date. Where derivative financial instruments are classified as fair value through profit and loss, movements in fair value of derivative instruments are recognised in the profit and loss account. Where derivatives, particularly those with related parties, cannot be valued by reference to a liquid market, the fair value is determined by performing an economic analysis to determine a fair commercial valuation.

Derivative financial instruments receivable and payable (including amounts owed by and to Group companies) are measured at fair value. Receivables and payables are offset and the net amount presented in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the receivable and settle the payable simultaneously.

Equity settled share-based payments

Equity-settled share-based payments are measured at the fair value of the awards based on the market value of the shares at the grant date; fair value excludes the effect of non-market-based vesting conditions. The fair value is charged to the profit and loss account and credited to retained earnings (unless the share-based payments are settled by the Parent Company in Parent Company equity in which case it is credited as a capital contribution by the Parent Company) on a straight-line basis over the period the estimated number of awards are expected to vest.

At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings (or capital contribution as appropriate).

1. Accounting policies (continued)

Pension costs

The Company is a member of a defined benefit pension plan that shares risk between wholly owned members of the Group. The pension costs charged to the profit and loss account represent contributions payable to the Group defined contributions pension scheme and the costs of the Group defined benefit pension scheme recharged from fellow group companies.

The net defined benefit cost is recognised in the financial statements of the sponsoring employer (Glencore UK Ltd) and related disclosures are provided in the financial statements of Glencore plc.

Critical accounting judgements and key sources of estimation

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant under the circumstances, independent estimates, quoted market prices and common, industry standard modelling techniques. Actual outcomes could result in a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key judgements

Performance and credit risk

The company's marketing operations expose it to performance and credit risks; these arise particularly in markets demonstrating significant price volatility with limited liquidity and terminal markets and when global and/or regional macroeconomic conditions are weak.

Continuously, but particularly during such times, judgement is required to determine whether receivables are recoverable and if contracted product deliveries will be received. Judgements about recoverability and contractual performance may materially impact both assets as recognised on the balance sheet.

Classification of transactions which contain a financing element

Transactions for the sale or purchase of commodities may contain a financing element such as extended payment term agreements. Judgement is required to determine the most appropriate classification and presentation of these transactions within the statement of financial position. In determining the appropriate classification, management considers the underlying economic substance of the transaction and the significance of the financing element to the transaction. Typically the economic substance of the transaction is determined to be operating in nature, i.e. predominately related to the sale or purchase of commodities as the financing element is insignificant and the entire cash flow will therefore be presented as a trade receivable or payable in the statement of financial position.

Key estimates and assumptions

Valuation of derivative instruments

Derivative instruments are carried at fair value and the company evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 13 Fair Value Measurement. Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiable inputs (Level 2); or by using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring Glencore to make market based assumptions (Level 3). Level 3 inputs therefore include the highest level of estimation uncertainty. Refer to note 12.

Notes to the financial statements
Year ended 31 December 2015

2. Turnover

Turnover represents the invoiced value of delivered commodity contracts excluding VAT.

All trading is carried out from the United Kingdom.

3. Operating profit

	2015 $'000	2014 $'000
Operating profit is stated after charging:		
Net foreign exchange loss	24,109	2,772
Auditor's remuneration – audit fees	1,077	1,250
– taxation compliance services	58	106
– other services	-	-

4. Information regarding directors and employees

	2015 $'000	2014 $'000
Staff costs		
Wages, salaries and benefits	11,259	14,459
Social security costs	3,116	3,777
Pension costs – defined benefit	872	1,156
Pension costs – defined contribution	877	776
Related recharges from fellow subsidiaries	56,990	64,999
	73,114	85,167

Average number of persons employed	**2015**	**2014**
Employees of the Company	46	43
Staff employed by fellow subsidiaries providing services to the Company	339	327
Total	385	370

Additional information is contained in notes 19 and 20.

Directors' remuneration is paid on the Company's behalf by the parent entity for which a service charge is made.

One director of the Company is a member of the parent company's defined benefit pension scheme (2014: one).

Notes to the financial statements
Year ended 31 December 2015

5. Interest receivable

	2015 $'000	2014 $'000
Interest receivable from banks	882	1,051
Interest receivable from others	536	-
Interest receivable from group companies	5,650	7,472
Interest receivable from other loans and receivables	7,068	8,523

6. Interest payable

	2015 $'000	2014 $'000
Interest payable on bank loans and overdrafts repayable within one year	15,365	717
Interest payable to others	4	2,142
Interest payable to group companies	1,823	985
Interest payable on other loans and payables	17,192	3,844

7. Tax on profit on ordinary activities

(a) Analysis of tax charge on ordinary activities

	2015 $'000	2014 $'000
United Kingdom corporation tax at 21%/ 20% (2014: 23%/21%) based on the profit for the year	11,373	614
Adjustment in respect of prior years	(812)	(12,446)
Current tax charge for the year	10,561	(11,832)
Deferred tax – current year	-	2,046
	10,561	(9,786)

7. Tax on profit on ordinary activities (continued)

(b) Factors affecting tax charge for the current year

The tax assessed for the year is lower (2014: lower) than that resulting from applying the standard rate of corporation tax in the UK of 21%/20% (2014: 23%/21%).

	2015 $'000	2014 $'000
Profit on ordinary activities before tax	55,556	38
Tax at 21%/20% thereon (2014: 23%/21%)	11,248	8
Effects of:		
Expenses not deductible/income not taxable for tax purposes	125	606
Prior period adjustments	(812)	(10,400)
Total tax charge for the year	10,561	(9,786)

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the temporary differences to which they relate unwind based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Since the future reductions of the corporation tax rate to 19% and 18% were enacted by the balance sheet date, the deferred tax balances at 31 December 2015 have been assessed accordingly.

8. Investments

	Joint Venture $'000	Total $'000
At 1 January 2014	12	12
Additions	16,378	16,378
Reductions	-	-
Disposals	-	-
At 31 December 2014	16,390	16,390
Additions	-	-
Reductions	-	-
Disposals	-	-
At 31 December 2015	16,390	16,390

The joint venture relates to a 49% holding of ordinary shares in Tema Fuel Company Limited, a company incorporated in Ghana, whose main activity relates to the operation of a petroleum products storage facility.

9. Stocks

	2015 $'000	2014 $'000
Stock at fair value	1,374,198	887,567
	1,374,198	887,567

There are no material differences between the balance sheet value of stocks and their replacement cost.

Carrying amount of stocks pledged as security is $nil (2014: $nil).

10. Debtors

	2015 $'000	2014 $'000
Amounts due within one year:		
Trade debtors due in less than one year	2,718,319	2,886,296
Amounts owed by group companies	3,020,883	2,895,343
Derivative financial instruments – third parties (note 12)	542,670	303,808
Derivative financial instruments – group companies (note 12)	5,518	7,111
Deferred tax (note 13)	11	11
Other debtors	87,964	58,120
Prepayments and accrued income	3	56
	6,375,368	6,150,745
Amounts due in more than one year		
Trade debtors	309,493	277,967
	309,493	277,967
	6,684,861	6,428,712

The carrying value of trade receivables approximates fair value.

Included in trade debtors are trade advances paid to counterparties, significant trade advances are disclosed below:

Société des Hydrocarbures du Tchad ("SHT")

The Company has provided a net $145 million (2014: $334 million) to SHT to be repaid through future oil deliveries over 7 years. As at 31 December 2015, the advance is net of $905 million (2014: $1,023 million) provided by a syndicate of banks, the repayment terms of which are contingent upon and connected to the receipt of oil due from SHT under the prepayment. Of the net amount advanced, $145 million (2014: $278 million) is receivable after 12 months and is presented within Trade debtors due in more than one year, and $nil (2014: $56 million) is due within 12 months and is presented within Trade debtors due in less than one year.

Société Nationale des Pétroles du Congo ("SNPC")

In 2015, the Company advanced a net $218 million to SNPC to be repaid through future oil deliveries over 5 years. The advance is net of $522 million provided by a syndicate of banks, the repayment terms of which are contingent upon and connected to the receipt of oil due from SNPC under the prepayment. Of the net amount advanced, $165 million is receivable after 12 months and is presented within Trade debtors due in more than one year, and $53 million is due within 12 months and is presented within Trade debtors due in less than one year.

Notes to the financial statements
Year ended 31 December 2015

11. Creditors: amounts falling due within one year

	2015 $'000	2014 $'000
Bank loans and overdrafts	178,558	41,119
Trade creditors	6,440,336	6,312,662
Trade advances	293,611	56,646
Amounts owed to group companies	326,050	686,371
Derivative financial instruments – third parties (note 12)	612,377	239,999
Derivative financial instruments – group companies (note 12)	2,529	18,893
UK corporation tax	3,213	5,811
Accruals and deferred income	64,830	25,035
	7,921,504	7,386,536

All loans and payables are due for repayment within one year.

Trade payables are obligations to pay for goods and services. Trade payables have a variety of maturities depending on the type of material and the geographic area in which the purchase transaction occurs and the agreed terms. The carrying value of trade payables approximates fair value.

12. Derivative financial instruments

The Company trades derivative financial instruments including commodity trading contracts and forward foreign exchange contracts. The fair value of the derivative financial instruments at the balance sheet date is as follows:

	2015 $'000	2014 $'000
Debtors		
Commodity trading contracts	542,670	303,808
Derivative financial instruments owed by group companies	5,518	7,111
	548,188	310,919

Of the $548,188,000 above $522,196,000 is due to mature within one year (2014: $219,359,000), with the remaining $25,992,000 maturing after one year (2014: $19,559,000). In the normal course of trading activities, derivative financial instruments are often settled before maturity date and therefore classified as current assets or current liabilities,

Notes to the financial statements
Year ended 31 December 2015

12. Derivative financial instruments (continued)

	2015 $'000	2014 $'000
Creditors		
Commodity trading contracts	612,377	239,999
Derivative financial instruments owed to group companies	2,529	18,893
	614,906	258,892

Of the $614,906,000 above $585,385,000 is due to mature within one year (2014: $243,998,000), with the remaining $29,522,000 maturing after one year (2014: $14,894,000). In the normal course of trading activities, derivative financial instruments are often settled before maturity date and therefore classified as current assets or current liabilities.

There is no difference between fair value and the value at which the Company could have settled their financial assets and liabilities at year end.

Quoted market values, as adjusted to take into account such factors as exchange closing prices and over-the-counter quotations, have been used to determine the fair value of derivative financial instruments at the balance sheet date. Where no active market exists for a derivative financial instrument, fair value is determined using valuation techniques, including use of recent arm's length transactions and reference to the market value of another instrument which is substantially the same.

The following changes in the fair value of derivative financial instruments, including commodity trading contracts and forward foreign exchange contracts have been charged to profit and loss in the year:

	2015 $'000	2014 $'000
(Loss)/profit		
External commodity trading contracts	(133,517)	43,827
Derivative financial instruments with group companies	14,772	69,357

13. Deferred tax

	2015 $'000	2014 $'000
Movement on deferred tax balance in the year		
Opening asset	-	-
Credit to profit and loss account – revaluation of financial assets	(11)	-
Closing asset	(11)	-

14. Called up share capital

	2015 $'000	2014 $'000
Authorised		
1,000,000 ordinary shares of US$1 each	1,000	1,000
Called up, allotted and fully paid		
10,000 ordinary shares of US$1 each	10	10

15. Reserves

A description of each reserve is set out below.

Capital contribution reserve

This reserve relates to the cumulative equity settled share based payment charge relating to shares of the ultimate parent, Glencore plc less amounts transferred to another reserve.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

16. Other contingent liabilities

As part of the Company's ordinary sourcing and procurement of physical commodities and other ordinary marketing obligations, the selling party may request that a financial institution act as either a) the paying party upon the delivery of product and qualifying documents through the issuance of a letter of credit or b) the guarantor by way of issuing a bank guarantee accepting responsibility for the Company's contractual obligations. As at 31 December 2015, $6,809,579,941 (2014: $6,451,140,000) of such commitments have been issued on behalf of the Company, which will generally be settled simultaneously with the payment for such physical commodities.

In the ordinary course of business, the Company enters into storage agreements with service providers, who provide the Company with storage and handling services at a variety of locations for a variety of time periods. The cost of this storage and handling service for 2015 recognised in cost of sales amounted to $111.3 million (2014 $53.6 million), future costs will vary depending on the needs of the business and commercial decisions made at future points in time.

17. Immediate and ultimate parent company

The immediate parent company is Glencore UK Ltd, a company incorporated in Great Britain and registered in England and Wales, and a wholly owned subsidiary of Glencore International AG, a company incorporated in Switzerland.

The ultimate parent and controlling company is Glencore plc, a company incorporated in Jersey with registered offices at Queensway House, Hilgrove Street, St. Helier, Jersey JE1 1ES. The lowest level of publicly available consolidated financial statements are produced by Glencore plc.

18. Related party transactions and balances

Transactions with related parties that are not wholly owned group companies are shown below. Some parties which were not wholly-owned in 2013 became wholly-owned in 2014 and therefore transactions with them were not disclosed in 2014 and 2015.

Nature of transactions

All related party transactions were executed on normal commercial terms and conditions. The nature of the transactions with related parties was sales and purchases of physical commodities and derivative instruments.

Value of transactions

	2015 $'000	2014 $'000
Sales of physical commodities	310,396	523,487
Purchases of physical commodities	893,203	1,969,410
Other income/costs of trading in physical commodities	53,918	14,029
Service fees receivable	26	2,816

18. Related party transactions and balances (continued)

Balances with related parties

The following were the balances with related parties at the end of the year. They are shown on an aggregate basis:

	2015 $'000	2014 $'000
Amounts owed by group undertakings	399,363	464,323
Amounts owed to group undertakings	17,092	13,668

19. Pension commitments

Pension costs in the year represent Company contributions to both the Group defined contributions pension scheme and the Group defined benefit pension scheme. The Company is a member of a defined benefit pension plan that shares risk between wholly owned members of the Group. The pension costs charged to the profit and loss account represent contributions payable to both the Group defined contributions pension scheme and the Group defined benefit pension scheme.

There is no contractual agreement or stated policy for charging the net defined benefit cost and, therefore, Glencore UK Ltd, which is the sponsoring employer of the scheme, recognises the whole of the scheme surplus or deficit in its financial statements. In accordance with IAS 19 (revised 2011), the Company recognises a cost equal to its contribution payable for the period.

Further details of the Group defined benefit scheme are disclosed in the consolidated financial statements of the ultimate parent company Glencore plc, which are available as disclosed in note 1 above.

20. Share-based payments

Performance Share Plan

Under the Glencore Performance Share Plan (PSP), participants are awarded PSP awards which vest in annual tranches over a specified period, subject to continued employment and forfeiture for malus events. At grant date, each PSP award is equivalent to one ordinary share of Glencore plc.

The awards vest in three equal tranches on 30 June of the years following the year of grant. The fair value of the awards is determined by reference to the market price of Glencore plc's ordinary shares at grant date. The PSP awards may be satisfied, at Glencore's option, in shares by the issue of new ordinary shares, by the transfer of ordinary shares held in treasury or by the transfer of ordinary shares purchased in the market or in cash, with a value equal to the market value of the award at vesting, including dividends paid between award and vesting. The Company currently intends to settle these awards in shares. As at 31 December 2015, the number of shares underlying the awards was 99,085 (2014: 310,851). The (credit)/expense recognised in the period was $(0.1) million (2014: $1.7 million).

The options outstanding as at 31 December 2015 had exercise prices of £nil (2014: £nil) and weighted average remaining contractual life of 2 years (2014: 2 years).