

Petroineos Fuels Assets Limited

Annual report and financial statements

Registered number 6981850

31 December 2015



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Strategic report for the year ended 31 December 2015

The directors present their strategic report on Petroineos Fuels Assets Limited for the year ended 31 December 2015.

Review of the business and future developments

The business has performed well during 2015 with excellent supply availability along with a continued good safety record. Petroineos Fuels Asset Limited invoices a related company, Petroineos Fuels Limited, the costs and a small margin for operating the terminal. Whilst 2015 has delivered strong Refining margins the longer term outlook remains challenging, the directors believe that through its excellent client loyalty, grown through its reputation for reliability and consistently high service levels, that there is every reason to believe that the Company can build on these established foundations. During 2016 the focus will continue on updating the condition of the assets particularly concentrating during the year on gas oil and diesel tankage.

Strategy

The Company's aim is to continue to run a low cost reliable asset whilst maintaining the highest level of safety. As in previous years the upgrading of its Dalston terminal is the key priority, the future strategy will be the continued upgrade of the middle distillate tankage (gas oil and diesel) during 2016 whilst not impacting customer supply availability.

Key performance indicators (KPI's)

Given the straight forward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators for the Company is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of Petroineos Refining Limited, which includes the Company is discussed in the Group's annual report which does not form part of this report.

Principal risks and uncertainties

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

By order of the board



James Chwu
Director
12th July 2016

Directors' report for the year ended 31 December 2015

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

Principal activities

The Company is engaged in the storage, supply and distribution of refined products to oil majors, large and small distributors, supermarkets and traders. Petroineos Fuels Assets Limited is responsible for the storage, supply and distribution of materials received by train from the Grangemouth refinery into and from the Dalston supply terminal.

Results and dividends

The loss on ordinary activities before taxation was £5,378 (2014: profit £9,223). The directors do not propose the payment of a dividend (2014: nil).

Future developments

Future developments are discussed in the Strategic Report.

Financial risk management

The Company is reliant on funding from Petroineos Trading limited to meet the anticipated needs of the company. Petroineos Trading Limited has facilities totalling \$5.9 billion (2014: \$3.32 billion) at the end of the year. The facilities are supported by a letter of comfort from PetroChina Company Limited and are uncommitted facilities due to a commercial arrangement between PetroChina and the banks..

Directors

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

James Chwu	(appointed 28 July 2015)
A R Gardner	(resigned 21 September 2015)
A Traynor	(resigned 15 January 2015)

Employees

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

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

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

Political and charitable contributions

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

Directors' report for the year ended 31 December 2015 (continued)

Health & safety

Our facilities and operations are subject to a wide range of health, safety, security and environmental ("HSSE") laws and regulations in all of the jurisdictions in which we operate. These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions (including GHG emissions), noise emissions, human health and safety, process safety and risk management and the clean-up of contaminated sites. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future HSSE laws, regulations and permits or the more stringent enforcement of such requirements.

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

Statement of directors' responsibilities

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Directors' report for the year ended 31 December 2015 (continued)

Disclosure of information to auditors

The director at the date of approval of this report confirms that:

- (i) the director is aware that there is no relevant audit information of which the Company's auditors are unaware.
- (ii) the director has taken all the steps that he ought to have taken in his duty as director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

Independent auditors

PricewaterhouseCoopers' appointment as external auditor of the Company expired on 31 December 2015 following their conclusion of the audit of the Company's accounts for the year ended 31 December 2014. As a result, KPMG LLP have been appointed as the auditor of the Company in accordance with Section 485 of the Companies Act 2006.

By order of the board



James Chwu
Director
12th July 2016

Registered number 6981850

Independent auditor's report to the members of Petroineos Fuels Assets Limited

We have audited the financial statements of Petroineos Fuels Assets Limited for the year ended 31 December 2015 (set out on pages 7 to 24). The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Petroineos Fuels Assets Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Juliette Lowes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
London
12 July 2016

Profit and Loss Account
for year ended 31 December 2015

	<i>Note</i>	2015	2014
		£	£
Turnover	2	883,906	1,018,675
Cost of sales		<u>(743,078)</u>	<u>(838,406)</u>
Gross profit		140,828	180,269
Administrative expenses		<u>(98,738)</u>	<u>(131,761)</u>
Operating profit	3	42,090	48,508
Interest payable and similar charges	6	<u>(47,468)</u>	<u>(39,285)</u>
(Loss)/profit on ordinary activities before taxation		(5,378)	9,223
Tax on loss/(profit) on ordinary activities	7	<u>2,717</u>	<u>(1,864)</u>
(Loss)/profit for the financial year		<u>(2,661)</u>	<u>7,359</u>

All activities of the company relate to continuing operations.

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

Balance Sheet

At 31 December 2015

	<i>Note</i>	2015 £	2014 £
Fixed Assets			
Tangible assets	8	1,812,259	1,664,471
Current assets			
Debtors	9	252,119	427,057
Total current assets		252,119	427,057
Creditors: amounts falling due within one year	10	(1,946,361)	(1,968,133)
Net current liabilities		(1,694,242)	(1,541,076)
Total assets less current liabilities		118,017	123,395
Provisions for liabilities and charges		(14,774)	(17,491)
Net assets		103,243	105,904
Capital and reserves	13		
Called up share capital		1	1
Profit and loss account		103,242	105,903
Total equity		103,243	105,904

These financial statements on pages 7 to 24 were approved by the board of directors on 12th July 2016 and were signed on its behalf by:



James Chwu
Director

Company registered number: 6981850

Statement of Changes in Equity

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2014	1	98,544	98,545
Total comprehensive income for the year			
Profit for the financial year	-	7,359	7,359
Balance at 31 December 2014	1	105,903	105,904

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2015	1	105,903	105,904
Total comprehensive income for the period			
Loss for the financial year	-	(2,661)	(2,661)
Balance at 31 December 2015	1	103,242	103,243

Notes (forming part of the financial statements)

1 Accounting policies

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

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

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

In these financial statements, the Company has adopted FRS 101 for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not materially affected the financial position or financial performance of the Company.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemption has been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 January 2014 have not been restated.

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

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

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

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

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

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

1 Accounting policies (continued)

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.2 Going concern

The Company meets its day-to-day working capital requirements through its inter-company current account facility. The Company's forecasts and projections, taking into account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

The parent company, Petroineos Refining Limited, will continue to financially support the Company and assist it in meeting the Company's liabilities as and when they fall due to the extent that funding is not otherwise available to the Company.

1.3 Foreign currency

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

1.4 Non-derivative financial instruments

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

Trade and other debtors

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

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

Investments in debt and equity securities

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

Interest-bearing borrowings

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

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

1 Accounting policies (continued)

1.5 Derivative financial instruments

Derivative financial instruments

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

1.6 Intra-group financial instruments

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

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- plant and equipment 10 - 20 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Assets under construction are not depreciated.

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

1 Accounting policies (continued)

1.8 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

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

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

Non-financial assets

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

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

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

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

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

1.9 Post employee benefits

Defined contribution plan

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

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

1 Accounting policies (continued)

1.10 Provisions

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

1.11 Turnover

Turnover, which is stated net of value added tax and sales taxes represents the recovery of costs from Petroineos Fuels Limited under the terms of the service contract between the two companies. Under the service contract, Petroineos Fuels Assets Limited provides a storage and dispatch service, for which the company charges a service fee. These are charged on a monthly basis and are recognised on an accrual basis, as the service is delivered.

1.12 Expenses

Interest receivable and interest payable

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

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

1.13 Taxation

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

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

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

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

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

2 Turnover

Turnover, all of which is generated in the UK, represents the revenue generated in the provision of storage and dispatch services.

3 Operating profit

Included in profit are the following:

	2015	2014
	£	£
Depreciation of owned tangible fixed assets (note 8)	121,455	121,633
Exchange loss/(gain)	666	(7,605)

Auditor's remuneration:

	2015	2014
	£	£
Audit of these financial statements	7,000	4,394
	7,000	4,394

The amounts relating to 2014 were for PWC and the amounts relating to 2015 are due to KPMG LLP.

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

4 Staff numbers and costs

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

	Number of employees	
	2015	2014
	£	£
Operations	2	3
	<u>2</u>	<u>3</u>

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£	£
Wages and salaries	84,607	122,971
Social security costs	9,334	13,700
Pension costs - defined contribution plan	<u>4,797</u>	<u>8,407</u>
	<u>98,738</u>	<u>145,078</u>

5 Directors' remuneration

No directors had benefits accruing under a defined benefit pension scheme (2014: none).

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

6 Interest payable and similar charges

	2015	2014
	£	£
Interest expense on financial liabilities measured at amortised cost	<u>47,468</u>	<u>39,285</u>
Total interest payable and similar charges	<u>47,468</u>	<u>39,285</u>

Interest payable and similar charges includes interest payable to group undertakings of £ 47,468 (2014: £39,285).

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

7 Tax on profit on ordinary on activities

Recognised in the profit and loss account

	2015	2014
	£	£
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
<i>Deferred tax (see note 12)</i>		
Origination and reversal of temporary differences	(968)	1,844
Current year rate change	(1,749)	-
Adjustments in respect of prior years	-	20
Total deferred (credit)/charge	(2,717)	1,864
Tax on (loss)/profit on ordinary activities	(2,717)	1,864

Reconciliation of effective tax rate

	2015	2014
	£	£
Total tax (credit)/charge	(2,717)	1,864
(Loss)/profit on ordinary activities before taxation	(5,378)	9,223
(Loss)/profit multiplied by the standard rate of tax in the UK of 20.25 % (2014 : 21.5%)	(1,089)	1,983
Prior year adjustment for deferred tax		20
Current year rate change for deferred tax	(1,628)	(139)
Total tax (credit)/charge	(2,717)	1,864

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

8 Tangible fixed assets

	Land and Buildings £	Plant and Equipment £	Under Construction £	Total £
Cost				
Balance at 1 January 2015	-	1,667,030	226,132	1,893,162
Additions	170,000	-	99,243	269,243
Transfers	-	2,077	(2,077)	-
Balance at 31 December 2015	170,000	1,669,107	323,298	2,162,405
 Balance at 1 January 2014	 -	 1,005,493	 533,000	 1,538,493
Additions	-	-	354,669	354,669
Transfers	-	661,537	(661,537)	-
Balance at 31 December 2014	-	1,667,030	226,132	1,893,162
 Accumulated depreciation and impairment				
Balance at 1 January 2015	-	(228,691)	-	(228,691)
Depreciation charge for the financial year	-	(121,455)	-	(121,455)
Balance at 31 December 2015	-	(350,146)	-	(350,146)
 Balance at 1 January 2014	 -	 (107,058)	 -	 (107,058)
Depreciation charge for the financial year	-	(121,633)	-	(121,633)
Balance at 31 December 2014	-	(228,691)	-	(228,691)
 Net book value				
At 31 December 2015	170,000	1,318,962	323,298	1,812,259
At 31 December 2014	-	1,438,339	226,132	1,664,471

The amount of borrowing costs capitalised during the period was £nil (2014: £nil).

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

9 Debtors

	2015	2014
	£	£
Trade debtors	-	22,728
Amounts owed by related parties	177,088	285,201
Amounts owed by group undertakings	64,170	107,250
Prepayments and accrued income	10,861	9,849
Other taxes recoverable	-	2,029
	<u>252,119</u>	<u>427,057</u>
Due within one year	252,119	427,057

10 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	15,876	81,753
Amounts owed to related parties	-	44
Amounts owed to group undertakings	1,679,494	1,824,986
Accruals and deferred income	234,215	61,350
Other taxes payable	16,776	-
	<u>1,946,361</u>	<u>1,968,133</u>

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

11 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2015	2014
	£	£
Creditors falling due within less than one year		
Intercompany loan	1,579,631	1,657,975
	<u>1,579,631</u>	<u>1,657,975</u>

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2015 £	Carrying amount 2015 £	Face value 2014 £	Carrying amount 2014 £
Intercompany loan	£	2.5% + Libor	2016	1,579,631	1,579,631	1,657,975	1,657,975
				<u>1,579,631</u>	<u>1,579,631</u>	<u>1,657,975</u>	<u>1,657,975</u>

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

12 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets	Liabilities	Net
	2015	2015	2015
	£	£	£
Accelerated capital allowances	-	14,774	14,774
Net tax liabilities	-	14,774	14,774

	Assets	Liabilities	Net
	2014	2014	2014
	£	£	£
Accelerated capital allowances	-	17,491	17,491
Net tax liabilities	-	17,491	17,491

Deferred tax assets are recognised only to the extent that the directors consider it is probable that future taxable profits will be sufficiently available. The Company has no un-provided deferred tax on accelerated capital allowances (2014: nil) which are available for the offset against future trading profits.

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

12 Deferred tax assets and liabilities (continued)

Movement in deferred tax during the year

	1 January 2015	Recognised in income	31 December 2015
	£	£	£
Accelerated capital allowances	17,491	(2,717)	14,774
	17,491	(2,717)	14,774

Movement in deferred tax during the prior year

	1 January 2014	Recognised in income	31 December 2014
	£	£	£
Accelerated capital allowances	15,627	1,864	17,491
	15,627	1,864	17,491

13 Capital and reserves

Share capital

	No. of shares	
	2015	2014
	£	£
Ordinary shares of £1.00		
Allotted, called up and fully paid		
At 1 January	1	1
Issued during the year	-	-
At 31 December	1	1

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

14 Operating leases

Petroineos Refining Limited owns the refining sites at Grangemouth, Scotland and Lavera, France. Petroineos Fuels Assets Limited has a service agreement with Petroineos Fuels Limited.

The agreement specifies that the Company can recover their costs from Petroineos Fuels Limited under the terms of the contract.

In consideration for Petroineos Fuels Assets Limited obligations under the service agreement, Petroineos Fuels Limited pays the base cost and a service fee of 5%.

15 Capital commitments

At 31 December 2015, amounts contracted for but not provided for in the financial statements for the acquisition of property, plant and equipment is £661,296 (2014: £230,265).

16 Related parties

Other related party transactions

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

Other related party transactions

	Sales to related party		Expenses incurred from related party	
	2015	2014	2015	2014
	£	£	£	£
Other related parties	883,906	1,018,675	68	272
	883,906	1,018,675	68	272

	Receivables outstanding		Creditors outstanding	
	2015	2014	2015	2014
	£	£	£	£
Other related parties	177,088	285,201	-	44
	177,088	285,201	-	44

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

17 Controlling parties

Petroineos Refining Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. There is no ultimate parent company or ultimate controlling party since Petroineos Refining Limited is a joint venture between INEOS Investments (Jersey) Limited and PetroChina International (London) Company Limited.

Copies of the financial statements of Petroineos Refining Limited can be obtained from the Company Secretary:

The Secretary
Petroineos Refining Limited
5 Wilton Road
London
SW1V 1AN