Total UK Limited

Directors' report and financial statements

Registered number 00553535

31 December 2016

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activities of Total UK Limited comprise of the distribution and sale of petroleum and specialities products.

Directors and their interests

The directors who served during the year were as follows:

B Luc
O Devouassoux
J Wilson
M Rodriguez Bartolome

None of the directors held any beneficial interest in the shares of the Company or other group companies which are required to be disclosed under the provisions of the Companies Act 2006.

Environment

Total UK Limited is committed to complying with the legislation appropriate to its activities to minimise the risks relating to the health and safety at work for all employees, contractors' staff, customers, local communities and the general public. The Company is also committed to conducting its operations in a manner which ensures that it reduces the impact on the environment to as low a level as is reasonably practicable and that it consistently maintains the highest level of consideration for fire prevention and control of property damage.

Political contributions

During the year, the Company made no political contributions *(2015: £nil).*

Disabled employees

Applications for employment by people with disabilities are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff getting a disability, every effort is made to ensure that their employment within the Company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of people with disabilities should, as far as possible, be identical with that of other employees.

Directors' report *(continued)*

Employee involvement

The Company places great importance on keeping staff fully informed of developments within the group and of matters of interest to them, both generally and relating to their employment. Members of senior management visit group locations on a regular basis to discuss performance and plans for the future. Staff conferences are held regularly.

Employee representation has been enhanced through the establishment of Total Involvement which is an elected body of employees that meet bi-annually (and on ad hoc basis if required) to discuss employee and organisational matters.

Regular meetings of the Pension Fund Consultative Committee, General Works Council, Terminal Works Committees and Safety Committees are held during the year. Policy announcements and news are advised to employees through use of intranet tools and notice boards in each location.

The Company publishes an internal communication as well as intranet reports in which the Company's financial situation and progress are regularly communicated to employees. Employees are issued with individual letters and circulars on specific matters relating to their terms and conditions of employment.

Statement on the disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

J Wilson
Director
30 May 2017

40 Melton Street
London
NW1 2FD

Strategic report

Business review

The audited financial statements for the year ended 31 December 2016 are set out on pages 8 to 35. The profit for the year after taxation was £32m *(2015: £29m)*. The current year profit includes a £13m gain on financial instruments (2015: £16m gain).

The Company paid a dividend of £nil (*2015: £nil*) to the parent company Total Marketing and Services S.A. No further dividend is proposed.

Safety and operational excellence remains a high priority and continues to contribute positively to the overall financial performance of the Company.

Sales volumes in the Company's continuing marketing activities for the year ended 31 December 2016 were broadly consistent with those of 2015 despite increasingly competitive marketing conditions. The outlook for 2017 is expected to be similar. Cost reductions made during 2016 contributed positively to the overall financial performance of the company.

Principal Risks and uncertainties

Economic Environment and regulatory requirements

The Company is subject to various risks and uncertainties during the ordinary course of its business many of which result from factors outside of its control. The risks can be categorised as follows:

- Strategic – changes in economic and market conditions such as price volatility and changes in levels of demand for products
- Compliance and control – non compliance with laws and regulations affecting the oil industry
- Operational - including health and safety, credit and foreign exchange risk

To help mitigate the effect of these risks and uncertainties, the Company adopts a number of steps including:

- regularly reviewing trading conditions to be able to respond quickly to changes in market conditions
- applying procedures and controls to manage compliance and operational risks, including adhering to a strict internal control framework
- adopting financial strategies to manage exposure to foreign exchange risk

There are a number of uncertainties in connection with the future of the UK and its relationship with the EU.

We have considered the consequences that Brexit could have upon the business and have concluded that it does not raise any new risks but does impact a number of our existing risks on an individual basis including exchange rate risk, product regulatory change and change in excise duty. Accordingly, the approach we have adopted is to consider the impact of Brexit in those risks.

By aligning the management of the outcomes to existing risk responsibilities this provides a more effective and operationally focused mitigation of these impacts on an ongoing and timely basis

Financial matters

The financing requirements of the Company are met by the Total group treasury function. The Directors, having assessed the Total S.A. directors' responses to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability and intention to continue with the current financing arrangements.

As part of the Total group policy to minimise foreign exchange risk, exposure to foreign currency is managed on a daily basis. The company also seeks to minimise the risk due to fluctuations in the market price of crude oil and refined products by entering into derivative agreements to mitigate the risk of fluctuations in those prices.

Key Performance Indicators

The Key Performance Indicators pertaining to sales, volume, margins and operating costs are reviewed on a monthly basis by the directors and include monitoring health and safety statistics of employees and contractors, and attending to customer complaints in a timely fashion.

Supplier payment policy

The Company's policy, in relation to all of its suppliers, is to negotiate the terms of payment when agreeing the terms of the transaction and to abide by those terms provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

Trade creditors of the Company at 31 December 2016 were equivalent to 36 days payment terms (2015: 24 days).

Fixed Assets

The directors are of the opinion that the market value of freehold land and buildings is comparable to the book value of £2 million shown in these financial statements.

Research and development

Research and development is carried out as part of a world-wide programme by the Total group. Specialised facilities exist at various research laboratories for the development of fuels, lubricants, solvents and other products. A proportion of these costs are charged to the Company. Research at the Company's site at Preston ties in with Brunsbuttel and CReS European bitumen research laboratories and work is planned between the three via Interlab strategic meetings.

By order of the board

J Wilson
Director
30 May 2017

40 Melton Street
London
NW1 2FD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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 judgments 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;
- 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.

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOTAL UK LIMITED

We have audited the financial statements of Total UK Limited for the year ended 31 December 2016 set out on pages 8 to 35. 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 5, 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 (APB'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 2016 and of its profit 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

• we have not identified material misstatements in those reports; and

• in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOTAL UK 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.

Simon Weaver

Simon Weaver (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor 30 May 2017
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

Profit and loss account
for the year ended 31 December 2016

	Note	2016	2015
		£m	£m
Turnover	2	**504**	560
Change in stock of refined products and other stock		**13**	(9)
Other operating income		**4**	6
Purchases of crude oil, consumables and refined products		**(416)**	(457)
Depreciation and other amounts written-off fixed assets	3	**(2)**	(2)
Staff costs	6	**(8)**	(10)
Other operating expenses		**(56)**	(50)
Operating profit		**39**	38
Profit / (loss) before interest and taxation		**39**	38
Net finance income/ (expense)	7	**2**	(1)
Profit / (loss) before taxation		**41**	37
Tax on profit / loss on ordinary activities	10	**(9)**	(8)
Profit / (loss) for the financial year		**32**	29

Other Comprehensive Income
for year ended 31 December 2016

	Note	2016	2015
		£m	£m
Profit for the year		**32**	29
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability		**(41)**	(13)
Deferred tax arising on actuarial loss in the pension scheme		**7**	2
Other comprehensive income for the year, net of income tax		**(34)**	(11)
Total comprehensive income for the year		**(2)**	18

The profit and loss account has been prepared on the basis that all operations are continuing operations. The notes on pages 11 to 35 form part of these financial statements.

Balance Sheet
at 31 December 2016

	Note	2016	2016	2015	2015
		£m	£m	£m	£m
Fixed assets					
Intangible assets			-		-
Tangible assets	*11*		43		28
Investments	*12*		8		8
			51		36
Current assets					
Stocks	*13*	39		26	
Debtors: amounts falling due within one year	*14*	85		64	
Cash at bank and in hand		46		32	
		170		122	
Creditors: amounts falling due within one year	*15*	(79)		(68)	
Net current assets			91		54
Total assets less current liabilities			142		90
Creditors: amounts falling due after more than one year					
Provisions for liabilities	*16*	(11)		(11)	
Obligations under finance leases		(11)		-	
			(22)		(11)
Net assets excluding pension liabilities			120		79
Net pension liabilities: total of defined benefit scheme			(110)		(67)
Net assets including pension liabilities			10		12
Capital and reserves					
Called up share capital	*17*		43		43
Profit and loss account	*18*		(33)		(31)
Equity shareholders' funds / (deficit)	*19*		10		12

These financial statements were approved by the board of directors on 30 May 2017 and were signed on its behalf by:

J Wilson
Director

The notes on pages 11 to 35 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2016

	Called up Share capital £m	Profit and loss account £m	Total equity £m
Balance at 1 January 2015	43	(49)	(6)
Total comprehensive income for the period			
Profit for the financial year	-	29	29
Other comprehensive income	-	(11)	(11)
Total comprehensive income for the period	-	18	18
Balance at 31 December 2015	43	(31)	12
Balance at 1 January 2016	43	(31)	12
Total comprehensive income for the period			
Profit for the financial year	-	**32**	**32**
Other comprehensive income	-	**(34)**	**(34)**
Total Comprehensive income for the period	-	**(2)**	**(2)**
Balance at 31 December 2016	**43**	**(33)**	**10**

The notes on pages 11 to 35 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation
Total UK Limited (the "Company") is a company incorporated and domiciled in the UK. These financial statements present information about the Company as an individual undertaking and not about its group. The Company has taken advantage of the exemption under s.400 of the companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Total SA.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101").* The amendments to FRS 101 (2015/16 Cycle) issued in July 2016 and effective immediately have been applied.

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.

The Company's ultimate parent undertaking, Total S.A., includes the Company in its consolidated financial statements. The consolidated financial statements of Total S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 2 place Jean Millier, La Défense 6, 92400 Courbevoie, Paris, France.

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, tangible fixed assets, and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of Key Management Personnel.

Notes *(continued)*

1 Accounting policies *(continued)*

As the consolidated financial statements of Total S.A include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- 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.

Going concern

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost accounting rules.

The financing requirements of Total UK Limited are met by the Total S.A. group ('the Total group') facilities. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability and intention to continue with the current financing arrangements.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis other than derivative financial instruments, which are stated at their fair value.

Intangible assets – supply agreements

Costs incurred in procuring agreements and capital grants to dealers made in connection with supply agreements, are capitalised and depreciated over the life of the related agreements.

Identifiable software development costs are capitalised and depreciated over 3 years.

Research and development

Research and development costs are charged to the profit and loss account in the year in which they are incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, long leasehold land or assets in the course of construction, at rates calculated to write-off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Short leasehold land	-	over the period of the lease
Buildings	-	15 years
Plant, equipment and motor vehicles	-	3 to 15 years

Residual value is calculated on prices prevailing at the date of acquisition.

Impairment of fixed assets

Fixed assets are reviewed for impairment if there is an indication that impairment has occurred. Where possible individual fixed assets are tested for impairment. However in certain cases impairment is tested for groups of assets because the cash flows upon which the calculation is based do not arise from the use of a single asset. In these cases impairment is measured for the smallest group of assets (the income-generating unit) that produces a largely independent income stream.

Plant refurbishment and maintenance costs

Costs relating to general repairs and maintenance, and replacements required in order to keep assets in an operating condition, but which do not enhance the capabilities of the plant, are treated as an expense.

Investments

An associate is an undertaking in which the group has a long-term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. The group's share of the profits less losses of associates is included in the consolidated profit and loss account and its interest in their net assets, other than goodwill, is included in investments in the consolidated balance sheet. Where the group's share of the underlying results, assets or liabilities of investments in associates are immaterial to the group, these investments are stated at cost less provision for impairment.

A joint venture is an undertaking in which the group has a long-term interest and over which it exercises joint control. The group's share of the profits less losses of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, other than goodwill, is included in investments in the consolidated balance sheet. Where the group's share of the underlying results, assets or liabilities of investments in joint ventures are immaterial to the group, these investments are stated at cost less provision for impairment.

Where a group company is party to a joint arrangement which is not an entity, that company accounts directly for its proportionate share of the income and expenditure, assets, liabilities and cash flows of that arrangement. Such arrangements are reported in the consolidated financial statements on the same basis. Where the impact on the company's financial statements is immaterial such arrangements are stated at cost less provision for impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value on a FIFO basis. Cost comprises direct material costs including freight charges and, where appropriate, processing, transportation and storage costs and excise duty. Net realisable value is based on estimated selling price less further processing, administration and selling costs. Provision is made for obsolete, slow moving or defective items where appropriate.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Leased assets

Assets held under leases which result in the Company receiving substantially all the risks and rewards of ownership of the asset (finance lease) are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Foreign currencies

Transactions in foreign currencies are recorded in sterling at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses on foreign currency translation are recognised within the profit and loss account.

Turnover

Turnover represents sales and services provided by the Company, being amounts receivable from third parties less allowances and excluding excise duties and value added tax.

Notes *(continued)*

1 Accounting policies *(continued)*

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Pension and other post-retirement benefits

The group operates a number of pensions schemes, including both defined benefit and defined contribution arrangements. For the defined benefit scheme the pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality bond of equivalent term and currency to the liability. The scheme assets are held separately from those of the company.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation arising from past events and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, provisions are stated at the present value of the best estimate of expenditures expected to be required to settle the obligation.

Derivative Financial Instruments

The company enters in to derivative agreements to mitigate the risk of fluctuations in price against fixed contract sales contracts. The derivatives are recognised as Financial Instruments and the gain or loss arising from a change in the fair value of the financial asset or financial liability is recorded in Purchases of crude oil, consumables and refined products. The Company does not adopt hedge accounting.

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.

Notes *(continued)*

2. Segmental information

The Company has a single class of business, which is the distribution and sale of petroleum products and lubricants. Turnover originates wholly in the United Kingdom. An analysis of group turnover by destination is given below:

	2016	2015
	£m	£m
UK	**279**	317
Rest of Europe	**36**	45
North America	**87**	89
Rest of the world	**102**	109
	504	560

3 Profit / (loss) on ordinary activities before taxation

	2016	2015
	£m	£m
Profit / (loss) on ordinary activities before taxation is stated after charging		
Depreciation and other amounts written off tangible fixed assets:		
Owned	**2**	2
	2	2
Hire of other assets - operating leases	**1**	1

Notes *(continued)*

4 Auditor's remuneration

	2016	2015
	£000	£000
Audit of these financial statements	**78**	82
Amounts receivable by auditor and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**3**	3
Other services pursuant to legislation	-	-
All other services	-	-

5 Remuneration of directors

	2016	2015
	£000	£000
Directors' emoluments	**280**	321
Pension contributions	**70**	28
	350	349

The emoluments above relate to 2 directors (2015: 3). Nil remuneration is paid for the qualifying services for the remaining directors within Total UK Ltd.

	2016	2015
	Number	Number
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	-	-
Defined contribution schemes	**2**	2
	2	2

Highest paid director

The above amounts include the following in respect of the highest paid director:

	2016	2015
	£000	£000
Emoluments	**205**	176
Pension contributions	**61**	-
	266	176

Notes *(continued)*

6 Staff numbers and costs

The average monthly number of employees (including directors) was:

	2016 Number	2015 Number
Administration *	**20**	27
Distribution *	**115**	103
	135	130

* Administration refers to employees working in Finance, IT, HR and general management. Distribution refers to all other employees.

The aggregate payroll costs of these persons were as follows:

	2016 £m	2015 £m
Wages and salaries	**7**	7
Social security costs	**-**	1
Pension costs	**1**	2
Staff expenses and benefits	**-**	-
	8	10

Notes *(continued)*

7 Net finance income / (charges)

	2016 £m	2015 £m
Interest receivable and other similar income – see note 8	**5**	2
Interest payable – see note 9	**-**	-
Other interest payable/ finance income (net) – see note 9	**(3)**	(3)
	2	(1)

8 Interest receivable and other similar income

	2016 £m	2015 £m
Income from fixed asset investments	**3**	2
Other*	**2**	-
	5	2

9 Interest payable and other finance costs

Other interest payable / finance income (net)	2016 £m	2015 £m
Expected return on pension scheme assets	**22**	22
Interest on pension scheme liabilities	**(25)**	(25)
Interest on obligations under finance leases	**-**	-
	(3)	(3)

* Other includes net foreign exchange gains and losses

Notes *(continued)*

10 Taxation

Analysis of (credit) / charge in period	**2016**	2015
	£m	£m
UK corporation tax		
Current tax on income for the period	**6**	5
Adjustments in respect of prior periods	**-**	-
Total current tax	**6**	5
Deferred tax		
Origination and reversal of timing differences	**2**	1
Impact of change in tax laws and rates	**1**	2
Tax expense in the income statement	**9**	8

Tax relating to items charged or (credited) to other comprehensive income

Deferred tax		
Deferred tax on re-measurements of defined benefit pension scheme	(7)	(2)
Tax credit in the statement of other comprehensive income	(7)	(2)

The current tax charge for the year is higher (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are as follows:

	2016	2015
	£m	£m
Profit / (Loss) on ordinary activities before tax	**41**	37
Taxation charge at UK corporation tax rate of 20% (*2015: 20.25%*)	**8**	7
Effects of:		
Provisions not allowable for tax purposes	**-**	(1)
Impact of change in laws and tax rates	**1**	2
Adjustments in respect of prior periods	**-**	-
	9	8

Factors that may affect future tax charges

Following the Finance (No.2) Act 2015, the main rate of corporation tax will reduce from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. In the budget on 16 March 2016 a further reduction from 18% to 17% from 1 April 2020 was announced.

These rate changes affect the amount of future cash corporation tax payments to be made by the company.

Notes *(continued)*

10 Taxation (continued)

Deferred taxation

Deferred tax assets and liabilities and movements are attributable to the following:

Movement in deferred tax during the year

	1 January 2016	Recognised in profit & loss	Recognised in other comprehensive income	31 December 2016
	£m	£m	£m	£m
Accelerated capital allowances	-	(1)	-	(1)
Other short term timing differences	10	(2)	-	8
Deferred tax on defined benefit pension scheme	12	-	7	19
Total	**22**	**(3)**	**7**	**26**

Movement in deferred tax during the prior year

	1 January 2015	Recognised in profit & loss	Recognised in other comprehensive income	31 December 2015
	£m	£m	£m	£m
Other short term timing differences	6	4	-	10
Deferred tax on defined benefit pension scheme	17	(7)	2	12
Total	**23**	**(3)**	**2**	**22**

Notes *(continued)*

11 Tangible fixed assets

Company	Freehold land and buildings £m	Assets in the course of construction £m	Plant, equipment and motor vehicles £m	Total £m
Cost				
At beginning of year	35	14	52	101
Additions	-	6	11	17
Reclassification & transfers	-	(2)	2	-
Disposals	-	-	-	-
At end of year	35	18	65	118
Depreciation				
At beginning of year	33	-	39	72
Charged in year	-	-	2	2
Disposals	-	-	-	-
At end of year	33	-	41	74
Impairment				
At beginning of year	-	-	1	1
Reclassification & transfers	-	-	-	-
Charged in year	-	-	-	-
At end of year	-	-	1	1
Net book value				
At 31 December 2016	**2**	**18**	**23**	**43**
At 31 December 2015	2	14	12	28

The net book value of leased assets as at 31 December 2016 is £11m (*2015: £nil*). Depreciation charged on leased assets is £0.4m *(2015: £nil)*.

Notes *(continued)*

12 Fixed asset investments

	2016	2015
	£m	£m
Subsidiary undertakings	**7**	7
Other investments and loans	**1**	1
Joint ventures and joint arrangements	**-**	-
	8	8

Group investments

The Company and the Total UK group have investments in the following companies which principally affect the profits and net assets of the group. All investments are in ordinary shares.

	Investment type	Country of incorporation	Principal activity	Holding	Prior Year Holding	Registered Addresss
Total Bitumen UK Limited	Subsidiary	England	Employment company	100%	100%	One Euston Square, 40 Melton Street, London
Elf Oil UK Aviation Ltd	Subsidiary	England	Dormant company	100%	100%	One Euston Square, 40 Melton Street, London
Elf Oil UK Properties Ltd	Subsidiary	England	Dormant company	100%	100%	One Euston Square, 40 Melton Street, London
United Kingdom Oil Pipelines Ltd*	Joint venture	England	Logistics	3.5%	3.5%	5-7 Alexandra Road, Hemel Hempstead, Hertfordshire
West London Pipeline & Storage Ltd*	Joint venture	England	Logistics	11%	11%	5-7 Alexandra Road, Hemel Hempstead, Hertfordshire
Aviation Fuel Services Limited	Joint venture	England	Storage of refined products	25%	25%	Calshot Way Central Area, Heathrow Airport, Hounslow, Middlesex
Gatwick Airport Storage & Hydrant Company Ltd*	Joint venture	England	Storage of refined products	25%	25%	8 York Road, London
Heathrow Airport Fuel Company Limited	Joint venture	England	Storage of refined products	14%	14%	Building 1204 Sandringham Road, Heathrow Airport, Hounslow, Middx
Heathrow Hydrant Operating Company Limited*	Joint venture	England	Management of fuel hydrants	20%	20%	Building 1204 Sandringham Road, Heathrow Airport, Hounslow, Middx
H & G Contracting Services Limited	Joint venture	England	Employment company	33%	33%	Third Floor One London Square, Cross Lanes, Guildford
Stansted Fuelling Company Ltd	Joint venture	England	Marketing of refined products	14%	14%	Ermyn House, Ermyn Way, Leatherhead, Surrey
Stansted Intoplane Company Ltd	Joint venture	England	Marketing of refined products	20%	20%	Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire

* Included within the percentage holdings above are beneficial interests held by Total UK Limited following the mergers of the Total, Petrofina and Elf groups in 2000 and 2001 respectively.

As part of the reorganisation in which the UK refining business and the associated logistics infrastructure was transferred to Total Lindsey Oil Refinery Limited on 1st April 2013, the Company have investments in the following companies which the beneficial interests are held by Total Lindsey Oil Refinery Limited:

Hertfordshire Oil Storage Limited	Joint venture	England	Litigation	60%
Warwickshire Oil Storage Limited	Joint venture	England	Logistics	50%

Notes *(continued)*

12 Fixed asset investments (continued)

The group has a number of investments in joint venture companies where a majority stake in the investee's equity share capital is held but control is not exercised by virtue of clauses governing participants' voting rights incorporated within the relevant joint operating agreements.

Subsidiary undertakings

	£m
Cost	
At 1 January 2016	7
Disposals	-
At 31 December 2016	**7**
Amounts written off	
At 1 January 2016	-
Disposals	-
At 31 December 2016	**-**
Net book value	
At 1 January 2016	7
At 31 December 2016	**7**

Notes *(continued)*

12 Fixed asset investments *(continued)*

Other investments and loans

	Company Loans £m	Total £m
At 1 January 2016	1	1
Repayment	-	-
At 31 December 2016	1	1

13 Stocks

	2016 £m	2015 £m
Refined products	**36**	23
Other stock	**3**	3
	39	26

14 Debtors: amounts falling due in less than one year

	2016 £m	2015 £m
Trade debtors	**28**	21
Amounts owed by fellow subsidiary undertakings	**2**	4
Other debtors	**22**	17
Taxation and Social Security	**1**	-
Deferred tax	**26**	22
Financial Instruments	**6**	-
	85	64

The deferred tax asset is deemed recoverable as there is sufficient capacity in the wider UK tax group for any current and future tax losses to be surrendered for consideration.

Amounts classified as other debtors of £22m relate to amounts due from related parties.

Notes *(continued)*

15 Creditors: amounts falling due within one year

	2016	2015
	£m	£m
Trade creditors	**30**	23
Amounts owed to subsidiary undertakings	**43**	34
Taxation and social security	**-**	1
Accruals and deferred income	**2**	2
Corporation Tax	**4**	2
Financial Instruments*	**-**	6
	79	68

* Further details on financial instruments are disclosed in note 24.

Notes *(continued)*

16 Provisions for liabilities

	Environmental Remediation £m	Other £m	Total £m
At 1 January 2016	4	7	11
- additions	1	1	2
- releases	(1)	-	(1)
- utilised in year	-	(1)	(1)
At 31 December 2016	4	7	11

Other provisions mainly relate to provisions for infrastructure changes, construction abnormal costs and onerous leases in respect of closed retail sites.

Environmental remediation provisions relate to remediation in respect of closed retail sites.

Notes *(continued)*

17 Called up share capital

	2016 £m	2015 £m
Allotted, called up and fully paid		
43,000,000 equity ordinary shares of £1 each	**43**	43

All share capital is classified as shareholders' funds.

18 Reserves

	Profit and loss account
At 1 January 2016	**(31)**
Actuarial loss arising in the pension scheme	**(41)**
Deferred tax arising on actuarial loss in the pension scheme	**7**
Profit for the financial year	**32**
At 31 December 2016	**(33)**

Notes *(continued)*

19 Reconciliation of movements in shareholders' funds

	2016 £m	2015 £m
Profit for the financial year	**32**	29
Net increase/(decrease) in shareholders' funds		
Other recognised gains and losses relating to the year		
- Actuarial gains / (losses) arising in the pension scheme	**(41)**	(13)
- Deferred tax arising on actuarial losses in the pension scheme	**7**	2
- Distributions	**-**	-
- Dividends	**-**	-
	(2)	18
Opening equity shareholders' funds/(deficit)	**12**	(6)
Closing equity shareholders' funds	**10**	12

Notes *(continued)*

20 Commitments and contingent liabilities

(a) Bank guarantees at the end of the financial year, for which no provision has been made, are as follows:

	2016 **£m**	2015 £m
Contracted for but not provided for	-	-

(b) Commitments under non-cancellable operating leases are as follows:

Company	**2016 Land and Buildings £m**	**2016 Other £m**	2015 Land and Buildings £m	2015 Other £m
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years inclusive	2	1	1	2
Over five years	2	-	2	-
	4	1	3	2

(c) Obligations under finance leases are as follows:

Company	**2016 £m**	2015 £m
Amounts payable under finance leases:		
Within one year	1	-
In the second to fifth years inclusive	5	-
Over five years	12	-
	18	-
Less: future finance costs	(7)	-
	11	-

Notes *(continued)*

21 Employee benefits

Prior to 1 October 2002, Total UK Limited participated in the Total Oil Pension Scheme, the Fina Pension Scheme, the Elf Oil UK Pension Plan and Total Lindsey Oil Refinery Limited participated in the Lindsey Oil Refinery Pension Scheme. All these schemes provided defined benefits with the exception of the Elf Plan which had provided both defined benefit and defined contribution arrangements. On 1 October 2002, they merged with the other pension schemes of the Total Group in the UK to form the Total UK Pension Plan (the "Plan"). The employers participating in the Plan are grouped into Sections, and the assets and liabilities for each Section are tracked separately.

The Marketing Section contains two employers – Total UK Limited, and Total Bitumen UK Limited. The Lindsey Oil Refinery Section contains two employers – Total Lindsey Oil Refinery Limited and Associated Petroleum Terminals (Immingham) Limited. On 10 December 2012, the Milford Haven Section and its associated pension assets and liabilities were re-allocated to Total UK Limited from Total Milford Haven Refinery Limited.

The Marketing, Lindsey Oil Refinery and Milford Haven Sections of the Plan provide defined benefits and are closed to new entrants. As these Sections are closed under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

Following on from the worldwide decision in 2012 to reorganise the Total Group's downstream business into two new divisions: Refining & Chemicals and Marketing & Services a sale agreement was concluded with Total Lindsey Oil Refinery Limited effective 1st April 2013 resulting in the disposal of the UK refining business and the associated logistics infrastructure.

As part of this sale agreement a portion of the Marketing section associated pension assets and liabilities relating to Refining and Chemicals employees were disposed of at profit of £nil. Additionally the entire Milford Haven and Lindsey Oil Refinery Business Units and its respective associated pension assets and liabilities were both sold at a profit of £nil.

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2016	2015
	£m	£m
Defined benefit asset	**671**	600
Defined benefit liability	**(781)**	(667)
Net asset/(liability) for defined benefit scheme (see following table)	**(110)**	(67)

Notes *(continued)*

21 Employee benefits *(continued)*

Movements in net defined benefit liability/asset

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2016	2015	**2016**	2015	**2016**	2015
	£m	£m	**£m**	£m	**£m**	£m
Balance at 1 January	**(667)**	(687)	**600**	602	**(67)**	(85)
Included in profit or loss						
Current service cost	**(3)**	(2)	**-**	-	**(3)**	(2)
Past service cost/Curtailment	**2**	-	**-**	-	**2**	-
Interest income/(expense)	**(25)**	(25)	**22**	22	**(3)**	(3)
Included in OCI						
Remeasurements (loss)/gain:						
Actuarial (loss)/gain arising from						
- Changes in demographic Assumptions	**-**	4	**-**	-	**-**	4
- Change in financial assumptions	**(131)**	3	**-**	-	**(131)**	3
- Experience adjustment	**17**	12	**-**	-	**17**	12
- Return on plan assets excluding interest income	**-**	-	**74**	(32)	**74**	(32)
Other						
Contributions paid by the employer	**-**	-	**1**	36	**1**	36
Benefits paid	**26**	28	**(26)**	(28)	**-**	-
Balance at 31 December	**(781)**	(667)	**671**	600	**(110)**	(67)

Notes *(continued)*

21 Employee benefits *(continued)*

Plan assets

	2016	2015
	£m	£m
Cash and cash equivalents	**3**	8
Equity instruments	**113**	123
Debt instruments (Government bonds)	**24**	16
Real estate	**16**	15
Derivatives/Investment funds	**28**	-
Assets held by insurance company	**487**	438
Total	**671**	600

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and are AAA- or AA-rated. All other plan assets are not quoted in an active market.

Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

	2016	2015
Discount rate at 31 December	**2.75%**	3.75%
Future salary increases	**3.00%**	3.75%
Future pension increases	**3.50%**	3.25%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 24 years (male), 25 years (female).
- Future retiree upon reaching 65: 26 years (male), 27 years (female).

Notes *(continued)*

21 Employee benefits *(continued)*

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in the respective assumptions by 0.5 percent.

	Change in Assumption	**Increase in assumption**	**Decrease in assumption**	Increase in assumption	Decrease in assumption
		2016	**2016**	2015	2015
		£m	**£m**	£m	£m
Discount rate	0.50%	(58)	65	(46)	50
Price inflation rate	0.50%	54	(60)	46	(44)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 June 2014 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

Defined contribution plans

The Company also operates a defined contribution pension plan.

The total expense relating to this plan in the current year was £549,000 *(2015: £388,000)*.

Notes *(continued)*

22 Related Party Transactions

The Company has traded with the following related parties during the year:

Purchases from Heathrow Hydrant Operating Company Ltd were £2m (2015: £1m) and there was an outstanding creditor at the year end of £nil (2015: £nil). Purchases from Aviation Fuel Services Ltd were £2m (2015: £1m) and there was an outstanding creditor at the year end of nil (2015: £nil).

23 Ultimate controlling party and immediate controlling party

Total S.A., a company incorporated in France, is the ultimate parent company and the ultimate controlling party. Total Marketing Services S.A. is the immediate parent company of the smallest group of which the Company is a member. Copies of both these accounts are available from 2 place Jean Millier, La Défense 6, 92400 Courbevoie, Paris, France, which is the registered address of both of these Companies.

24 Financial Instruments

The company seeks to minimise the risk due to fluctuations in the market price of crude oil and refined products by entering into derivative agreements to mitigate the risk of fluctuations in those prices. The fair value of these derivatives is determined at each reporting date by making reference to the current spot prices at those dates.

A gain of £13m has been recognised in the current year (2015: gain £16m).

The fair value of these derivatives at the balance sheet date is deemed to be an asset of £6m (2015: liability £6m).