Registration number: 2386676

Shell Trinidad and Tobago Limited

Annual Report

and

Financial Statements

For the year ended 31 December 2017

Shell Trinidad and Tobago Limited

Contents

Shell Trinidad and Tobago Limited

Strategic report for the year ended 31 December 2017

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

The Company is one of the entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies where Royal Dutch Shell plc, either directly or indirectly, is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. Companies in which Group companies have significant influence but not control are classified as "Associated companies". Royal Dutch Shell plc, a company incorporated in England and Wales, is known as the "Parent Company" of the Shell Group. In this Report "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

Business review

Shell Trinidad and Tobago Limited (the "Company") was incorporated on 19 May 1989 and is a wholly owned subsidiary of BG North Sea Holdings Limited.

The Company retains interests in two operating blocks, both held under separate Production Sharing Contracts. These interests comprise (i) 63.1875% interest in the NCMA (North Coast Marine Area) 1 block, located off the north coast of Trinidad and Tobago which contains the Hibiscus, Poinsettia, Chaconia, Ixora, Heliconia and Bougainvillea Field; and (ii) 50% interest in Block 6, located off the east coast of Trinidad and Tobago, which includes the Dolphin Field. During 2017, the Company continued to supply both the domestic and export markets.

On 24 May 2017, the Company acquired Centrica's share of 17.3075% in the NCMA 1 block, increasing the Company's overall interest in the Block to 63.1875%. This acquisition supports Shell's in-country medium to long term growth aspirations by reducing co-venturer misalignment, enable closer alignment with the government on rejuvenating the north coast area and utilizing the NCMA infrastructure to bring material new gas supply to Trinidad.

Production volumes from the Dolphin field achieved 1.24 mmboe (million barrels of oil equivalent) in 2017 (2016: 2.9 mmboe), whereas production from the NCMA 1 block reached 8.03 mmboe (2016: 9.03 mmboe).

There have not been any changes in the Company's activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year other than the ones noted above.

Principal risks and uncertainties

The Company is subject to a broad range of risks such as political, commodity prices, reserves replacement, people resource and project delivery risks. The Company's revenues are dependent upon the performance of its working interest in the Block 6 and NMCA 1 fields. The integrity of the Company's assets can be affected by a number of factors including unplanned shutdowns and equipment failure. The Company has a continuing monitoring and maintenance programme to reduce the risk of failure.

The Shell Group has a single risk based control framework - The Shell Control Framework - to identify and manage risks. The Shell Control Framework applies to all wholly owned Shell companies and to those ventures and other companies in which Royal Dutch Shell has directly or indirectly a controlling interest. From the perspective of the Company, the principal risks and uncertainties affecting the Company are considered to be those that affect the Shell Group. Accordingly, the principal risks and uncertainties of the Shell Group, which are discussed on pages 12 to 16 of Royal Dutch Shell's Annual Report and Form 20-F for the year ended 31 December 2017 (the "Group Report"), include those of the Company. (The Group Report does not form part of this report).

Key Performance Indicators

Companies of the Shell Group comprise the Upstream businesses of Exploration and Production, Integrated Gas and Oil Sands and the Downstream businesses of Oil Products and Chemicals. The Company's key performance indicators, that give an understanding of the development, performance and position of the business, are aligned with those of the Shell Group. The development, performance and position of the various businesses is discussed on pages 24 to 53 of the Group Report and the key performance indicators through which the Group's performance is measured are as set out on pages 22 to 23 of the Group Report.

Approved by the Board on 25 September 2018 and signed on its behalf by:

....

J Osundina
Authorised signatory for
Shell Corporate Secretary Limited
Company secretary

Shell Trinidad and Tobago Limited

Directors' report for the year ended 31 December 2017

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

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

Dividends

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

Future Outlook

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

Directors of the company

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

M Ashworth

N W H Blaker

D Hudson

C Orr-Burns (resigned 31 August 2017)

R W J Driessen (appointed 30 November 2017)

Financial risk management

The Company's Directors are required to follow the requirements of Shell Group risk management policies, which include specific guidelines on the management of market, credit and liquidity risk, and advice on the use of financial instruments to manage them. Shell Group risk management policies can be found in the Group Report (see pages 82 to 83 and note 19).

Events after the end of the reporting period

Refer to note 22 "Events after the balance sheet date".

Employee involvement

The Company has a comprehensive policy concerning information provision and consultation with employees. Its objective is to meet their needs for information and involvement in issues affecting them, and to contribute to the management of change in the organisation.

The primary responsibility for information and consultation rests with management. It is supplemented by representative bodies at some employment locations. In addition, there is a well-established system by which the senior management in the Company makes presentations to employees on business results and plans. This is in turn supplemented by in-house journals, briefing papers, management letters and video presentations.

All of the formal employee representative bodies held regular meetings throughout the year.

Equal opportunities

The Company aims to have leading equal opportunities policies and practices. The Company has a published equal opportunities policy and a detailed code of practice in support of this. Progress is regularly monitored. The Company's policy continues to be the application of equal opportunity principles to the selection, training and career development of all applicants and employees, irrespective of gender, race, ethnic origin, marital status, religion or disability.

With respect to disabled people, the Company's medical officers provide appropriate advice to help with the successful achievement of these objectives, particularly regarding physical facilities, which need to be made available at the workplace. Shell Group is part of the Business Disability Forum, which promotes best practice among private sector employers. The Company is also committed to providing continuing employment of employees who become disabled whilst working for the Company.

The Company offers a range of flexible working conditions to assist employees in balancing work and outside commitments. There are also schemes such as career breaks, six months paid parental leave and a range of childcare support initiatives to support employees with families.

Shell Trinidad and Tobago Limited

Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Strategic Report, Directors' Report and the Company's accounts in accordance with applicable law and regulations.

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

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

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

Disclosure of information to the auditor

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

Approved by the Board on 25 September 2018 and signed on its behalf by:

....

J Osundina
Authorised signatory for
Shell Corporate Secretary Limited
Company secretary

Independent Auditor's Report to the Member of Shell Trinidad and Tobago Limited

Opinion

We have audited the financial statements of Shell Trinidad and Tobago Limited (the "Company") for the year ended 31 December 2017, which comprise the Profit and Loss Account, Statement of comprehensive income, Balance Sheet, Statement of changes in equity, and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Independent Auditor's Report to the Member of Shell Trinidad and Tobago Limited (continued)

Other information

The other information comprises the information included in the annual report set out on pages 1 to 5, other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

- 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.

Independent Auditor's Report to the Member of Shell Trinidad and Tobago Limited (continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities 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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

....

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

Date: 25 September 2018

Shell Trinidad and Tobago Limited

Profit and Loss Account for the year ended 31 December 2017

Continuing operations

	Note	2017 $ 000	2016 $ 000
Turnover	4	38,401	61,939
Cost of sales		(89,739)	(278,401)
GROSS LOSS		**(51,338)**	**(216,462)**
Administrative expenses		(46,096)	(45,077)
Exploration expenses		(13,998)	(7,051)
Impairment of tangible assets	12	(62,689)	(39,539)
Impairment of intangible assets	11	(16,387)	-
Other expenses		(84,290)	(19,226)
OPERATING LOSS	7	**(274,798)**	**(327,355)**
LOSS BEFORE INTEREST AND TAXATION		**(274,798)**	**(327,355)**
Interest receivable and similar income	5	9,711	28
Interest payable and similar charges	6	(11,961)	(13,214)
LOSS BEFORE TAXATION		**(277,048)**	**(340,541)**
Tax on loss	10	39,642	59,858
LOSS FOR THE YEAR		**(237,406)**	**(280,683)**

Shell Trinidad and Tobago Limited

Statement of comprehensive income for the year ended 31 December 2017

	Note	2017 $ 000	2016 $ 000
Loss for the year		**(237,406)**	**(280,683)**
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain/(loss) on pension scheme	18	610	3,232
Other comprehensive income for the year, net of tax		**610**	**3,232**
Total comprehensive income for the year		(236,796)	(277,451)

Shell Trinidad and Tobago Limited

(Registration number: 2386676)
Balance Sheet as at 31 December 2017

	Note	2017 $ 000	2016 $ 000
Fixed assets			
Intangible assets	11	3,907	6,462
Tangible assets	12	957	1,239
Investments	13	2	2
Deferred tax	10	79,759	49,503
		84,625	**57,206**
Current assets			
Stock	14	1,562	1,341
Debtors	15	325,909	249,299
Cash at bank and in hand		6,550	10,581
		334,021	261,221
Creditors: Amounts falling due within one year	16	(411,550)	(259,040)
Net current (liabilities)/assets		**(77,529)**	**2,181**
Total assets less current liabilities		**7,096**	**59,387**
Provisions	19	(451,859)	(267,022)
Net liabilities excluding pension surplus		**(444,763)**	**(207,635)**
Pension surplus	18	1,147	204
Net liabilities		**(443,616)**	**(207,431)**
Equity			
Called up share capital	20	-	-
Share premium reserve		96,341	96,341
Profit and loss account		(539,957)	(303,772)
Total equity		**(443,616)**	**(207,431)**

The accounts on pages 9 to 43 were authorised for issue by the Board of Directors on 25 September 2018 and signed on its behalf by:

....
Director
Michael Ashworth

Shell Trinidad and Tobago Limited

Statement of changes in equity for the year ended 31 December 2017

	Called up Share Capital $ 000	Share premium $ 000	Profit and loss account $ 000	Total $ 000
Balance as at 01 January 2016	**-**	**96,341**	**(26,321)**	**70,020**
Loss for the year	-	-	(280,683)	(280,683)
Other comprehensive income for the year	-	-	3,232	3,232
Total Comprehensive income for the year	**-**	**-**	**(277,451)**	**(277,451)**
Balance as at 31 December 2016	**-**	**96,341**	**(303,772)**	**(207,431)**
Balance as at 01 January 2017	-	96,341	(303,772)	(207,431)
Loss for the year	-	-	(237,406)	(237,406)
Other comprehensive income	-	-	610	610
Total Comprehensive income for the year	**-**	**-**	**(236,796)**	**(236,796)**
Share based payments - notional	-	-	611	611
Balance as at 31 December 2017	**-**	**96,341**	**(539,957)**	**(443,616)**

Shell Trinidad and Tobago Limited

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

General information

The Company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is: Shell Centre, London, SE1 7NA, United Kingdom (UK).

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, which involves the application of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure. The financial statements have been prepared under the historical cost convention, except for certain items measured at fair value, and in accordance with the Companies Act 2006.

As applied to the Company, there are no material differences between EU endorsed IFRS and IFRS as issued by the International Accounting Standards Board.

The accounting policies have been consistently applied.The presentation of the financial statements has changed from IFRS to Companies Act 2006 to align with the rest of the Shell Group.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following exemptions from the disclosure requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  (i) paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements';
  (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
  (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliation between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':

1 Accounting policies (continued)

(i) 10(d), (statement of cash flows);
(ii) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
(iii) 16 (statement of compliance with all IFRS);
(iv) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
(v) 38B-D (additional comparative information);
(vi) 40A-D (requirements for a third balance sheet);
(vii) 111 (cash flow statement information); and
(viii) 134-136 (capital management disclosures)

- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

Consolidation

The immediate parent company is BG North Sea Holdings Limited.

The ultimate parent company and controlling party is Royal Dutch Shell plc, which is incorporated in England and Wales. Royal Dutch Shell plc is the parent undertaking of the smallest and largest group to consolidate these accounts.

The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc
Tel: +31 888 800 844
email: order@shell.com
Registered office: Shell Centre, London, SE1 7NA

Fundamental accounting concept

The balance sheet at 31 December 2017 reports a net liability of $443,616,000 (2016: $207,431,000). The accounts have been prepared under the going concern concept due to the availability of parent company funding, which will enable the Company to meet its liabilities as they fall due.

On 18 January 2018, the Company issued 216,960,000 ordinary shares of £1 each to BG North Sea Holdings Limited, its immediate parent undertaking. As a result of this, the Company's allotted, issued and fully paid up share capital increased to $300,000,005.

1 Accounting policies (continued)

Taxation

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

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date for tax payable to HM Revenue and Customs, or for group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested.

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised when, on the basis of the most recent available evidence, it is regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Amounts relating to deferred tax are undiscounted.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in US Dollars ($), which is also the Company's functional currency.

1 Accounting policies (continued)

(ii) Transaction and balances

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

Monetary assets and liabilities recorded in foreign currencies have been expressed in $ at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of the transaction. No subsequent translations are made once this has occurred.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. A review for the potential impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less costs to sell and value in use. Value in use in determined as the amount of estimated risk-adjusted discounted future cash flows. For this purpose, assets are grouped into cash-generating units based on separately identifiable and largely independent cash inflows. Any impairments are recorded in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of a fixed asset increases because of a change in economic conditions or in the expected use of the asset, the resulting reversal of the impairment loss is recognised in the current year to the extent that it increases the carrying amount of the fixed asset up to the amount it would have been had the original impairment not occurred.

Depreciation and impairment are not normally charged on assets under construction or on freehold land. In the case of these assets, an impairment review would only be undertaken if, and only if, there was a change in circumstances indicating that the carrying amount of the asset may not be recoverable.

Depreciation is charged so as to write off the cost of assets on a straight line basis, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Motor vehicles and office equipment	up to 10 years

1 Accounting policies (continued)

The cost of licences is carried forward either until a licence is relinquished or the associated costs written off, or until production of oil or gas starts, when the cost is depleted on a unit-of-production basis related to total proved reserves.

Platforms and infield pipelines are depleted from the date field production commences on a unit-of-production basis over the proved developed reserves of the field concerned. Successful exploration, appraisal, production and injection wells are depleted on a unit-of-production basis over the proved developed reserves of the field concerned.

Changes in estimates are accounted for prospectively over the remaining reserves of the field.

Decommissioning and restoration costs

The Company follows the requirements of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The total estimated cost of decommissioning and restoration, discounted to its net present value, is provided for and also recognised as a cost of each field, onshore terminal or main trunkline and capitalised within tangible fixed assets. The capitalised cost is amortised over the life of the field on a unit-of-production basis for offshore facilities and on a straight-line basis for onshore terminals and main trunklines. The unwinding of the discount in the net present value of the total expected cost is treated as an interest expense. Changes in estimates result in an equal and opposite movement in the provision and the associated asset. If a decrease in the provision exceeds the asset's carrying amount, the excess is recognised in the profit and loss account. Changes in estimates of assets are depreciated prospectively over the remaining reserves of the field or the remaining life of the onshore terminal or pipeline as appropriate.

Intangible fixed assets

Other intangible assets consist of re-commissioning costs for the Elba Island Terminal. Amortisation is charged on a straight-line basis at rate sufficient to write off the cost of the asset over the life of the related LNG sales and purchase agreement (15 years).

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss; loans and receivables; and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings.

1 Accounting policies (continued)

Loans and trade and other receivables

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

Financial liabilities

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

Loans and trade and other creditors

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

Investment in subsidiaries and participating undertakings

These comprise investments in shares and loans that the Company intends to hold on a continuing basis. The investments in subsidiaries and participating undertakings are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with IAS 36. Any impairments are recorded in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of a fixed asset increases because of a change in economic conditions or in the expected use of the asset, the resulting reversal of the impairment loss is recognised in the current year to the extent that it increases the carrying amount of the fixed asset up to the amount it would have been had the original impairment not occurred.

Stock

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Provision is made for obsolete, slow moving and defective stocks to write stocks now to their net realisable value, wherever necessary.

1 Accounting policies (continued)

Acquisitions and sales of interests in a business

A business combination is a transaction in which an acquirer obtains control of a business. A business is define as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends or lower costs or other economic benefits directly to investors or other owners or participants. A business consists of inputs and processes applied to those inputs that have the ability to create outputs.

Business combinations are accounted for using the acquisition method. The identifiable assets acquired and liabilities assumed are measured at their fair values at the date of acquisition. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition fair value and any resulting gain or loss is recognised in the Profit and Loss Account. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in Profit and Loss Account or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in the Profit and Loss Account. After initial recognition, goodwill is measured at cost plus any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to groups of cash-generating units that are expected to benefit from the combination. For goodwill, this is considered to be the Company level.

1 Accounting policies (continued)

Turnover

Revenue associated with exploration and production sales (of natural gas, crude oil and petroleum products) is recorded when title passes to the customer. Revenue from the production of hydrocarbons in which the Company has an interest with other producers is recognized based on the Company's working interest and the terms of the relevant production sharing contracts (entitlement method).

Sales of LNG and associated products are recognized when title passes to the customer.
All other revenue is recognized when title passes to the customer.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised as non-current assets of the Company at the lower of their fair value at the date of commencement of the lease and at the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the income statement and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Provisions

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

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

1 Accounting policies (continued)

Defined benefit pension obligation

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on Government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

Share based payments

The fair value of share-based compensation for performance share plans is estimated using a Monte Carlo pricing model.

The fair value of the performance share plans is recognised in the profit and loss account from the date of grant over the vesting period, with a corresponding increase recognised directly in equity. At each subsequent balance sheet date, the Company revises its estimate of the number of awards that are expected to vest (in relation to non-market based performance conditions) and recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

The market value of vested schemes is subsequently invoiced to employing entities in the year of delivery. This is treated as a distribution and is deducted from equity.

Netting off policy

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

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

1 Accounting policies (continued)

Joint arrangements

The Company's exploration, development and production activities are generally conducted in joint arrangements with other companies. The Company recognises its assets and liabilities relating to its interests in joint operations, including its share of assets held jointly and liabilities incurred jointly with other parties. Investments in joint ventures and associates are accounted for using the equity method, under which the investment is initially recognised at cost and subsequently adjusted for the Shell share of the post acquisition income less dividends received.

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic life of tangible fixed assets

Depreciation of tangible fixed assets is calculated using management's assessment of the useful economic lives of the underlying assets. Upon purchase or construction of an asset, useful economic life is assessed by reference to a number of underlying assumptions, including the economic lives of other similar assets. As the economic benefit of the assets is consumed over the course of its life, revisions to the useful life of the asset may be made upon assessment of changes in the operating environment or the condition of the asset itself.

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of tangible fixed assets and intangible fixed assets

For the purposes of determining whether impairment of tangible fixed assets and intangible fixed assets has occurred, and the extent of any impairment or its reversal, the key assumptions management uses in estimating risk-adjusted future cash flows for value-in-use measures are future oil and gas prices, expected production volumes and refining margins appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates.

Future price assumptions tend to be stable because management does not consider short-term increases or decreases in prices as being indicative of long-term levels, but they are nonetheless subject to change. Expected production volumes, which comprise proved reserves and unproved volumes, are used for impairment testing because management believes this to be the most appropriate indicator of expected future cash flows. As discussed in "Estimation of proved oil and gas reserves", reserves estimates are inherently imprecise. Furthermore, projections about unproved volumes are based on information that is necessarily less robust than that available for mature reservoirs. Due to the nature and geographical spread of the business activity in which those assets are used, it is typically not practicable to estimate the likelihood or extent of impairments under different sets of assumptions. The discount rate applied is reviewed annually.

Changes in assumptions could affect the carrying amounts of assets, and impairment charges and reversals will affect income.

Impairment of investments

For the purposes of determining whether impairment of investments has occurred, and the extent of any impairment or its reversal, management review a range of measures relating to the underlying entity's performance, including the net present value of future cash flows. In assessing these measures, management make a number of assumptions relating (but not restricted) to future oil and gas prices, expected production volumes and refining margins appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates.

Group defined benefit pension scheme

Certain employees participate in a group defined benefit pension scheme with other companies in the region. Under the terms of the scheme, there is no policy for allocating the net defined benefit obligation amongst the participating members.

The scheme is therefore accounted for as a defined contribution scheme, see note 18.

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Estimation of proved oil and gas reserves

Unit-of-production depreciation, depletion and amortisation charges are principally measured based on management's estimates of proved developed oil and gas reserves. Also, exploration drilling costs are capitalised pending the results of further exploration or appraisal activity, which may take several years to complete and before any related proved reserves can be booked.

Proved reserves are estimated by reference to available geological and engineering data and only include volumes for which access to market is assured with reasonable certainty. Estimates of proved reserves are inherently imprecise, require the application of judgement and are subject to regular revision, either upward or downward, based on new information such as from the drilling of additional wells, observation of long-term reservoir performance under producing conditions and changes in economic factors, including product prices, contract terms or development plans.

Changes to estimates of proved developed reserves affect prospectively the amounts of depreciation, depletion and amortisation charged and, consequently, the carrying amounts of exploration and production assets. It is expected, however, that in the normal course of business the diversity of the asset portfolio will limit the effect of such revisions. The outcome of, or assessment of plans for, exploration or appraisal activity may result in the related capitalised exploration drilling costs being recognised in income in that period.

Stock provision

In the course of management's assessment of the recoverability of stock balances, assumptions are made over the expected economic benefit to be derived from stock assets. These include, but are not limited to, future oil and gas prices; exchange rates and other economic indices. Provisions are made where management do not believe that the book value of the stock will be recovered through sale or use, the value of which will change in line with the underlying economic indicators that influence the market for such goods.

Impairment of trade debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including: the credit rating of the debtor; the ageing profile of debtors; and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Decommissioning and restoration provisions

Provisions are recognised for the future decommissioning and restoration of hydrocarbon production facilities and pipelines at the end of their economic lives. The estimated cost is recognised in income over the life of the proved developed reserves on a unit-of-production basis or on a straight-line basis, as applicable. Changes in the estimates of costs to be incurred, proved developed reserves, or in the rate of production will therefore impact income, generally over the remaining economic life of the related assets.

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes. The discount rate applied is reviewed annually.

3 Acquisition of business

On 24 May 2017, the Company acquired Centrica's share of 17.3075% in the NCMA 1 block, increasing the Company's overall interest in the Block to 63.1875%. This acquisition supports Shell's in-country medium to long term growth aspirations by reducing co-venturer misalignment, enable closer alignment with the government on rejuvenating the north coast area and utilizing the NCMA infrastructure to bring material new gas supply to Trinidad.

The acquisition will be accounted for as a business combination. The fair values of the identifiable assets and liabilities were:

	Fair value at acquisition $ 000
Assets and liabilities acquired	
Tangible assets - oil & gas properties	-
Total identifiable net assets	-
Goodwill arising on acquisition (note 11)	12,825
Total consideration	**12,825**
Satisfied by:	
Cash paid / Net cash outflow	12,825
Total consideration transferred	**12,825**

3 Acquisition of business (continued)

The entire purchase consideration has been settled through cash amounting to $12,825,000 and was paid on 24 May 2017. No transaction costs were incurred for the acquisition.

The fair value of the oil and gas properties on the date of acquisition is $nil. The fair value has been estimated using a discounted cash flow basis on the cash proposed to be generated from the Dolphin and NCMA 1 field, considered to be one cash generating unit (CGU) based on the Company's previous working interest in the block.

At the end of the year, Company recognised additional decommissioning and restoration provision amounting to $27,722,000 (refer note 19 - Provisions) on account of this acquisition. Decommissioning asset recognised along with the provision has been fully impaired considering the fair value of the CGU estimated as above.

The total purchase consideration transferred for the acquisition has been allocated towards Goodwill and recorded under note 11-Intangible assets. At the end of 2017, driven by the impact of fall in the company's projected production volumes and resultant cash flows calculated on a fair value less costs of disposal basis using a post-tax discount rate of 6%, the Company recognized an impairment of $12,825,000 relating to the aforesaid goodwill.

4 Turnover

The analysis of the Company's turnover for the year from operations is as follows:

	2017 $ 000	2016 $ 000
Sale of goods	38,401	61,939
	38,401	**61,939**

5 Interest receivable and similar income

	2017 $ 000	2016 $ 000
Interest from banks and similar income	97	28
Profit on currency translation - financial items	9,556	-
Other finance income (refer to note 18)	58	-
	9,711	**28**

6 Interest payable and similar charges

	2017 $ 000	2016 $ 000
Interest on loans from Group undertakings:		
Fellow subsidiary undertakings	1,280	-
Loss on currency translation - financial items	-	2,911
Other finance costs (refer to note 18)	-	144
Unwinding of discount on provisions (refer to note 19)	10,681	10,159
	11,961	**13,214**

7 Operating loss

Arrived at after charging:

	2017 $ 000	2016 $ 000
Depreciation:		
On owned assets	429	222,257
Amortisation expense	683	682
Provision for onerous contracts (refer note below)	121,648	-

The Company has created a provision for obligations to make shortfall payments under gas supply contracts entered into by the Company, that are deemed to be onerous in nature (refer note 19 - Provisions).

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

8 Staff costs

The aggregate payroll costs were as follows:

	2017 $ 000	2016 $ 000
Wages and salaries	54,998	49,678
Social security costs	623	770
Pension costs	2,335	2,967
Share-based payment expenses (note 21)	611	-
	58,567	**53,415**

8 Staff costs (continued)

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

	2017 No.	2016 No.
Oil and gas exploration	422	387

9 Auditor's remuneration

	2017 $
Audit of the financial statements	26,832
	26,832

The Auditor's remuneration of $9,242 for previous year in respect of the statutory audit was borne by another group company and has not been recharged to the Company.

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

10 Tax on loss

Tax credit in the profit and loss account

The tax credit for the year of $39,642,000 (2016: $59,858,000) is made up as follows

	2017 $ 000	2016 $ 000
Current taxation		
UK corporation tax	(9,852)	(10,604)
UK corporation tax adjustment to prior periods	185	249
Foreign tax adjustment to prior periods	281	-
Total current tax credit	**(9,386)**	**(10,355)**
Deferred taxation		
Arising from origination and reversal of temporary differences	(35,493)	(49,503)
Arising from adjustment in respect of prior periods	5,237	-
Total deferred tax credit	**(30,256)**	**(49,503)**
Tax credit in the profit and loss account	**(39,642)**	**(59,858)**

10 Tax on loss (continued)

Reconciliation of total tax credit

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

The differences are reconciled below:

	2017 $ 000	2016 $ 000
Loss before tax	**277,048**	**340,541**
Tax on loss calculated at standard rate (2017: 19.25%) (2016: 20.00%)	(53,332)	(68,108)
Effects of:		
Expenses not deductible	794	(306)
Adjustments in respect of prior periods	466	249
Currency translation adjustments	(1,094)	289
Foreign tax rates	-	(13,181)
Deferred tax expense from unrecognised tax loss or credit	-	21,048
Differential deferred tax charge over UK Deferred Tax	13,349	-
Other items	41	151
Tax on imputed interest	134	-
Total tax credit	**(39,642)**	**(59,858)**

UK Finance Act (No 2) Act 2015 which introduced reductions in the UK corporation tax rate to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020 was enacted on 15 November 2015.

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

The relevant deferred tax balances have been re-measured to 17%, the rate enacted by the balance sheet date.

10 Tax on loss (continued)

Deferred tax movement during the year:

	At 1 January 2017 $ 000	Recognised in profit and loss account $ 000	At 31 December 2017 $ 000
Tax losses carried forward	6,136	24,478	30,614
Accelerated tax depreciation	43,367	5,778	49,145
Net tax assets	**49,503**	**30,256**	**79,759**

Deferred tax movement during the prior year:

	At 1 January 2016 $ 000	Recognised in profit and loss account $ 000	At 31 December 2016 $ 000
Tax losses carried forward	-	6,136	6,136
Accelerated tax depreciation	-	43,367	43,367
Net tax assets	-	**49,503**	**49,503**

11 Intangible assets

Other intangible assets consist of re-commissioning costs for the Elba Island Terminal.

	Goodwill $ 000	Other Intangibles $ 000	Unproved properties $ 000	Total $ 000
Cost				
Balance at 1 January 2017	-	10,127	1,872	**11,999**
Additions	12,825	-	1,690	**14,515**
Balance at 31 December 2017	**12,825**	**10,127**	**3,562**	**26,514**
Accumulated amortisation and impairment				
Balance at 1 January 2017	-	(5,537)	-	**(5,537)**
Charge for the year	-	(683)	-	**(683)**
Charge for impairment	(12,825)	-	(3,562)	**(16,387)**
Balance at 31 December 2017	**(12,825)**	**(6,220)**	**(3,562)**	**(22,607)**
Net book amount				
At 31 December 2017	**-**	**3,907**	**-**	**3,907**
At 31 December 2016	**-**	**4,590**	**1,872**	**6,462**

On 24 May 2017, the Company acquired Centrica's share of 17.3075% in the NCMA 1 block, raising the overall interest in the Block to 63.1875%. This acquisition supports Shell's in-country medium to long term growth aspirations by reducing co-venturer misalignment, enable closer alignment with the government on rejuvenating the north coast area and utilizing the NCMA infrastructure to bring material new gas supply to Trinidad.

The fair value of the oil and gas properties on the date of acquisition is $nil. The fair value has been estimated using discounted cash flow basis on the cash proposed to be generated from the Dolphin and NCMA 1 field, considered to be one cash generating unit (CGU). The total purchase consideration of $12,825,000 transferred for the acquisition has been allocated towards goodwill.

At the end of 2017, driven by the impact of falls in projected production volumes and resultant cash flows calculated on a fair value less costs costs of disposal basis using a post-tax discount rate of 6%, the Company recognised an impairment of $16,387,000 (2016: $nil) on its intangible assets.

12 Tangible assets

	Oil and gas properties $ 000	Office equipment and motor vehicles $ 000	Total $ 000
Cost or valuation			
Balance at 1 January 2017	1,498,627	65,498	1,564,125
Additions	62,689	147	62,836
Balance at 31 December 2017	**1,561,316**	**65,645**	**1,626,961**
Accumulated Depreciation			
Balance at 1 January 2017	(1,498,627)	(64,259)	(1,562,886)
Charge for the year	-	(429)	(429)
Charge for impairment	(62,689)	-	(62,689)
Balance at 31 December 2017	**(1,561,316)**	**(64,688)**	**(1,626,004)**
Net book amount			
At 31 December 2017	**-**	**957**	**957**
At 31 December 2016	**-**	**1,239**	**1,239**

At the end of 2017, driven by the impact of fall in projected production volumes and resultant cash flows calculated on a fair value less costs costs of disposal basis using a post-tax discount rate of 6%, the Company recognised an impairment of $62,689,000 (2016: $39,539,000) on its tangible assets.

13 Investments

	Associates $ 000
Cost	
Balance at 1 January 2017	2
Balance at 31 December 2017	**2**
Amounts provided	
Balance at 31 December 2017	-
Carrying amount	
At 31 December 2017	2
At 31 December 2016	2

Details of the Participating undertakings as at 31 December 2017 are as follows:

Name of Participating undertaking	Registered office and County of incorporation	Class of shares	% of ownership
The International School of Port of Spain Limited	1 International Drive, West Moorings Trinidad and Tobago	Ordinary	25%

14 Stocks

	2017 $ 000	2016 $ 000
Raw materials and consumables	1,562	1,341

There is no significant difference between the replacement cost of work in progress and finished goods and goods for resale and their carrying amounts.

15 Debtors

Debtors due within 1 year as at 31 December are as follows:

	2017 $ 000	2016 $ 000
Trade debtors	12,141	3,724
Amount owed by Group undertakings:		
Parent undertakings	27,637	251
Fellow subsidiary undertakings	215,671	177,622
Amounts owed by joint venture partners	4,082	16,605
Prepayments and accrued income	4,335	8,424
Other debtors	45,506	35,565
Tax receivable	16,537	7,108
	325,909	**249,299**

Amounts owed by Group undertakings are payable upon demand, unsecured and interest free.

16 Creditors: amounts falling due within one year

	2017 $ 000	2016 $ 000
Trade creditors	-	13,044
Amount owed to Group undertakings		
Fellow subsidiary undertakings	325,766	143,038
Accrued expenses	83,582	87,056
Other creditors	2,202	15,902
	411,550	**259,040**

Amounts owed to Shell Treasury Centre Limited, a fellow subsidiary, bear interest rate equal to LIBOR. All other amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17 Obligations under leases and hire purchase contracts

Operating leases

As at 31 December, the Company was committed to making future minimum lease payments under non-cancellable operating leases.

The total future value of minimum lease payments is as follows:

	2017 $ 000	2016 $ 000
Within one year	21,702	4,667
In two to five years	27,170	10,170
In over five years	8,553	10,504
	57,425	25,341

18 Net retirement benefit

Defined benefit pension schemes

A number of the Company's employees participate in the British Gas Trinidad Limited Pension Fund Plan (the "Plan"), a defined benefit registered pension plan established under trust. The plan is funded to cover future pension liabilities in respect of service up to the balance sheet date. It is subject to an independent valuation at least every three years, on the basis of which the independent qualified actuary certifies the rate of employer contributions that, together with the specified contributions payable by employees and returns on the Plan's assets, are expected to be sufficient to fund the benefits payable.

Employees contribute to the Plan at a rate of 4% of National Insurance System (NIS) salary and 6% of salary in excess of this amount. For the year ended 31 December 2017, the employer's contribution rate was 18.6% of members' salaries. A rate of 18.6% has been confirmed as sufficient contribution until the next full actuarial valuation is performed as at 31 December 2018.

The figures below in relation to the year ended 31 December 2017 are based on a valuation of the Plan's assets and expected liabilities as at 31 December 2017 carried out by independent actuaries in accordance with the requirements of IAS 19.

The last independent valuation showed that the value of the Plan's assets as at 31 December 2017 was $27,904,000 (2016: $25,182,000).

The scheme was most recently valued on 1 March 2018. For the defined benefit elements of the retirement benefit scheme and the provident fund, a full actuarial valuation was carried out using the projected unit method at 31 December 2017 by a qualified independent actuary.

18 Net retirement benefit (continued)

The BG Supplementary Benefits Scheme (BGSBS) provides benefits broadly in excess of the 'lifetime allowance'. This defined benefit plan is an unfunded, non-registered arrangement. The BGSBS was closed to future accrual of benefits on 31 December 2013, the same date as benefit accrual ceased in the BGPS.

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the balance sheet date are as follows:

	2017 %	2016 %
Discount rate	5.5	5.5
Future salary increases	**6.0**	**6.0**

The fair value of plan assets, the present value of plan liabilities and the net balance sheet surplus were as follows:

	2017 $ 000	2016 $ 000
Fair value of plan assets	27,904	25,182
Present value of liabilities	(26,757)	(24,978)
Net balance sheet surplus	**1,147**	**204**

18 Net retirement benefit (continued)

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2017 $ 000	2016 $ 000
Present value at start of year	(24,978)	(28,525)
Current service cost	(1,061)	(1,390)
Past service cost	-	(243)
Actuarial gains and losses arising from changes in financial assumptions	-	2,459
Actuarial gains and losses arising from experience adjustments	541	1,501
Foreign exchange differences	(2)	1,507
Interest cost	(1,360)	(1,344)
Benefits paid	506	434
Contributions by scheme participants	(403)	(471)
Effect of curtailments	-	1,094
Present value at end of year	**(26,757)**	**(24,978)**

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2017 $ 000	2016 $ 000
Fair value at start of year	25,182	24,399
Interest income	1,418	1,200
Return on plan assets, excluding amounts included in interest income/(expense)	69	(945)
Foreign exchange differences	2	(1,289)
Employer contributions	1,411	1,867
Contributions by scheme participants	403	471
Benefits paid	(507)	(434)
Administrative expenses paid	(74)	(87)
Fair value at end of year	**27,904**	**25,182**

18 Net retirement benefit (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	2017 $ 000	2016 $ 000
Equities	8,707	6,298
Corporate bonds	15,444	13,558
Money market funds and cash	3,753	5,326
	27,904	**25,182**

Actual return on scheme's assets

	2017 $ 000	2016 $ 000
Actual return on scheme assets	**1,487**	**255**

Amounts recognised in the income statement

	2017 $ 000	2016 $ 000
Amounts recognised in operating profit		
Current service cost	(1,061)	(1,390)
Past service cost	-	(243)
Losses / (gains) on curtailments and settlements	-	1,094
Administrative expenses paid	(74)	(87)
Recognised in arriving at operating profit	(1,135)	(626)
Amounts recognised in interest income or costs		
Interest cost on obligation	(1,360)	(1,344)
Interest Income on plan assets	1,418	1,200
Recognised in other finance income/(cost)	58	(144)
Total recognised in the profit or loss account	**(1,077)**	**(770)**

18 Net retirement benefit (continued)

Amounts taken to the statement of comprehensive income

	2017 $ 000	2016 $ 000
Actuarial gains and losses arising from changes in financial assumptions	541	3,960
Return on plan assets, excluding amounts included in interest income/(expense)	69	(945)
Exchange rate movements	-	217
Amounts recognised in the Statement of Comprehensive Income	610	3,232

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

		2017			2016	
Adjustment to discount rate	**+ 1% $ 000**	**0.0% $ 000**	**- 1% $ 000**	**+ 1% $ 000**	**0.0% $ 000**	**- 1% $ 000**
Present value of total obligation	(4,291)	-	5,552	(4,037)	-	5,262

		2017			2016	
Adjustment to rate of salary growth	**+ 1% $ 000**	**0.0% $ 000**	**- 1% $ 000**	**+ 1% $ 000**	**0.0% $ 000**	**- 1% $ 000**
Present value of total obligation	2,437	-	(2,105)	2,260	-	(1,942)

19 Provisions

	Decommissioning and restoration $ 000	Onerous contracts $ 000	Total $ 000
Balance as at 1 January 2017	267,022	-	267,022
Additions	27,722	121,648	149,370
Change in estimates	24,786	-	24,786
Increase due to passage of time or unwinding of discount (note 6)	10,681	-	10,681
Balance as at 31 December 2017	**330,211**	**121,648**	**451,859**

The estimated cost of decommissioning at the end of the producing lives of fields is reviewed at least annually and engineering estimates and reports are updated periodically. Provision is made for the estimated cost of decommissioning at the balance sheet date, to the extent that current circumstances indicate that the Company will ultimately bear this cost. On 24 May 2017, the Company acquired Centrica's share of 17.3075% in the NCMA 1 block, increasing the Company's overall interest in the Block to 63.1875%. At the end of the year, the Company recognised additional decommissioning and restoration provision amounting to $27,722,000 on account of this acquisition.

The payment dates of expected future decommissioning costs are uncertain and are based on economic assumptions surrounding the useful economic lives of the fields concerned. Useful economic lives are affected by the estimation of hydrocarbon reserves and resources, which is in turn impacted by available reservoir data, commodity prices and future costs. Payments are currently anticipated between 2023 and 2032.

The Company has created a provision for obligations to make shortfall payments under gas supply contracts entered into by the Company, that are deemed to be onerous in nature. The shortfall and obligation to make these payments are based on production volumes and market price of the gas supplied. While payment dates are uncertain, these are currently anticipated between 2018 and 2026. Payments (on a discounted basis) of $119,473,000 are currently anticipated within one to five years; $2,175,000 within six to ten years.

20 Called up share capital

Allotted, called up and fully paid shares

	2017 No.	2017 $ 000	2016 No.	2016 $ 000
Ordinary shares of £1 each	3		3	

21 Share-based payments

Conditional awards of Royal Dutch Shell plc shares are made under an amended long-term incentive plan (the 'Performance Share Plan') when making awards to employees who are not Executive Directors of Royal Dutch Shell plc. The actual amount of shares that may vest, ranging from 0-200% of the conditional awards, depends on the measurement of the prescribed performance conditions over a three-year period beginning on 1 January of the award year. For the awards granted in 2015 and 2016, half the award is linked to the relative performance compared to four of its main competitors in Total Shareholder Return ('TSR') measure, earnings per share, cash flow from operations and return on actual capital employed over the measurement period. The other half of the award is linked to the Shell scorecard results.

For awards granted in 2017, 37.5% of the award is linked to the relative performance compared to four of its main competitors in TSR, cash flow from operations and return on actual capital employed and 12.5% to a free cash flow factor relative to internal operating plans over the measurement period. The other half of the award is linked to the Shell scorecard results.

The weighted average market price for exercises in 2017 was $26.37 (2016: $23.06) for Royal Dutch Shell plc Class A shares, $27.51 (2016: $22.86) for Royal Dutch plc Shell Class B shares, and $52.69 (2016: $46.44) for Royal Dutch Shell plc Class A ADRs.

For the performance shares which were outstanding as at 31 December 2017, the weighted average remaining contractual life is 2 years (2016: 1.33 years).

The profit and loss charge for 2017 is $611,000 (2016: $ nil).

22 Events after the balance sheet date

On 18 January 2018, the Company issued 216,960,000 ordinary shares of £1 each to BG North Sea Holdings Limited, its immediate parent undertaking. As a result of this, the Company's allotted, issued and fully paid up share capital increased to $300,000,005.

On 30 August 2018, the Company acquired 100% shares of Eni Trinidad and Tobago Limited for a consideration of $24,000,000, making it a wholly owned subsidiary. Eni Trinidad and Tobago Limited retained an interest of 17.3075% in the NCMA 1 block. This acquisition raises the Company's overall interest in the Block to 80.5%.

23 Related party transactions

The details of related party transactions happened during the year and the year end balance outstanding are as follows:

Related party name	Receivable / (payable) balance as at 2017 $ 000	2016 $ 000	Sales/(purchase) during the year 2017 $ 000	2016 $ 000
Atlantic LNG 2/3 Company of Trinidad and Tobago Limited	40,619	41,012	158,860	138,258