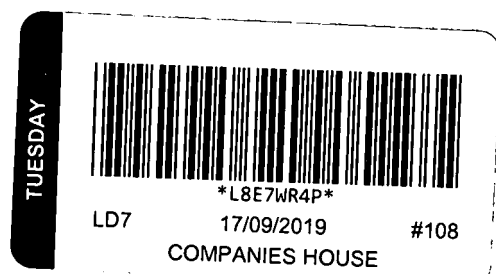


Registered number
07835064

Phillips 66 Trading Limited

Annual reports and financial statements for the year ended

31 December 2018



Phillips 66 Trading Limited Strategic report

The directors present their Strategic report for the year ended 31 December 2018.

Principal activities

The principal activities of the company are those of an energy trading company and the management of the company's current assets, the major part of which is currently held in interest-bearing bank accounts.

Business review

The company has made a loss for the year of \$208,252 (2017: \$17,427) which has been transferred to distributable reserves.

Key performance indicators

	2018	2017	%
	\$	\$	change
Turnover	5,127,832	167,245	2,966.1
Operating Loss	(262,633)	(18,888)	1,290.5
Shareholder's funds	8,106,663	8,729,506	(7.1)
Quick ratio	118.3	25.4	365.7

The company's Balance sheet, on page 11 of the Financial statements, shows the company has net assets of \$8,106,663 (2017: \$8,729,506). The movements on the company's reserves comprise the loss for the year and exchange differences on translation to US dollars.

As part of the Phillips 66 group, the company operations have many performance indicators in place measuring Health, Safety and Environment to ensure that it continues to build on its strong commitment and performance. Safety of personnel, coupled with a responsible pro-active approach to managing the environment is core to the company's business. The ultimate financial impact arising from environmental policies, laws and regulations is difficult to determine as current and new standards continue to evolve.

Subsequent events

There have been no significant events since the Balance sheet date.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are the financial risks described below.

Financial instruments and risk management

The company trades futures to manage price risk associated with the EU Emissions Trading Scheme. The carrying values of these futures are the fair values at year end.

Phillips 66 Trading Limited
Strategic report (continued)

Principal risks and uncertainties (continued)

Foreign currency risk

Changes in foreign exchange rates result in gains and losses to the company's monetary assets and liabilities and derivative positions. The company's cash balances are remeasured to Euro's on a monthly basis at corporate translation rates, resulting in gains and losses. The company's derivative positions are marked to market, resulting in unrealised gains and losses and the company's settlement of foreign exchange transactions results in realised gains and losses.

Interest rate risk

The company may be exposed to interest rate risk resulting from the company's banking arrangements.

This report was approved by the board on 11 September 2019 and signed on its behalf.



L L Jenkins
Director

Registered office:
7th Floor
200-202 Aldersgate Street
London EC1A 4HD

Phillips 66 Trading Limited

Directors' report

The directors present their Annual report on the affairs of the company, together with the Strategic report and financial statements for the year ended 31 December 2018.

Going concern

There are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

The company has significant financial resources and this together with long range financial forecasts means the directors believe that the company is well placed to manage its business and financial risks for the foreseeable future. The company is party to a centralised cash pooling arrangement between all the Phillips 66 pooling participants and their Bank and has access, if required, to surplus cash within the pool. Phillips 66 Company and Phillips 66 have each provided an unlimited cross guarantee to the bank in respect of the obligations of the pool participants under the cash pooling arrangement.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Future developments

The company's activities with respect to EU emissions trading (to the extent required in any Brexit situation) are being transferred to the company's direct parent by the end of 2019, with the anticipation that the company will become dormant thereafter.

Financial instruments and risk management

Information relating to financial instruments and the management of financial risks is disclosed in the Strategic report.

Dividends

The company did not pay dividends to the ordinary shareholder during the year (2017: \$nil).

The directors do not recommend a final dividend for the year ended 31 December 2018.

Directors

The directors who served throughout the year unless otherwise noted, were as follows:

G. S. Taylor
K. D. Head
N. A. Holland
L. L. Jenkins (appointed 31 August 2018)
M. J. Lambert (resigned 31 August 2018)

Disclosure of information to auditor

Each person who was a director at the time this report was approved confirms that:

- So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Phillips 66 Trading Limited
Directors' report (continued)

Reappointment of auditor

Pursuant to s386 of the Companies Act 1985 and continuing under the Companies Act 2006, an elective resolution was passed dispensing with the requirement to appoint the auditor annually. This election was in force immediately before 1 October 2007, therefore Ernst & Young LLP are deemed to continue as the auditor.

This report was approved by the board on 11 September 2019 and signed on its behalf.



L L Jenkins
Director

Registered office:
7th Floor
200-202 Aldersgate Street
London EC1A 4HD

Phillips 66 Trading Limited
Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 Reduced Disclosure Framework have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Phillips 66 Trading Limited

Opinion

We have audited the financial statements of Phillips 66 Trading Limited for the year ended 31 December 2018 which comprise the Income statement, Statement of comprehensive income, Balance sheet, Statement of changes in equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Phillips 66 Trading Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of directors

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, 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.

**Independent auditor's report
to the members of Phillips 66 Trading Limited (continued)**

Use of our report

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

Ernst & Young LLP

William Binns
(Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Statutory Auditor
London

13 September 2019

Phillips 66 Trading Limited
Income statement
for the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Turnover	2	5,127,832	167,245
Cost of sales		(5,307,093)	(147,652)
Gross (loss)/profit		<u>(179,261)</u>	<u>19,593</u>
FX gains		1,705	18,698
Administrative expenses		(85,077)	(57,179)
Operating loss	3	<u>(262,633)</u>	<u>(18,888)</u>
Interest payable	6	(1,189)	(97)
Loss before taxation		<u>(263,822)</u>	<u>(18,985)</u>
Tax on loss	7	55,570	1,558
Loss for the financial year		<u>(208,252)</u>	<u>(17,427)</u>

All activities relate to continuing operations.


Phillips 66 Trading Limited
Statement of comprehensive income
for the year ended 31 December 2018

	2018	2017
	\$	\$
Loss for the financial year	(208,252)	(17,427)
Other comprehensive (expense)/income:		
Items that cannot be reclassified to profit or loss:		
Foreign currency translation (loss)/gain	(414,591)	1,057,964
Total comprehensive (expense)/income for the year	<u>(622,843)</u>	<u>1,040,537</u>

Phillips 66 Trading Limited
Registered number: 07835064
Balance sheet
as at 31 December 2018

	Notes	2018 \$	2017 \$
Current assets			
Debtors due within one year	8	54,883	6,071
Cash at bank		<u>8,120,912</u>	<u>9,080,679</u>
		8,175,795	9,086,750
Creditors: amounts falling due within one year			
	9	(69,132)	(357,244)
Net assets		<u>8,106,663</u>	<u>8,729,506</u>
Capital and reserves			
Called up share capital	10	315	315
Share premium		6,652,500	6,652,500
Foreign currency translation reserve		(6,834,900)	(6,420,309)
Retained earnings		<u>8,288,748</u>	<u>8,497,000</u>
Shareholder's funds		<u>8,106,663</u>	<u>8,729,506</u>

The Financial statements were approved by the Board of Directors and authorised for issue on 11 September 2019 and signed on its behalf by:


L L Jenkins
Director

Phillips 66 Trading Limited
Statement of changes in equity
for the year ended 31 December 2018

	Called up share capital \$	Share premium \$	Foreign currency translation reserve \$	Retained earnings \$	Total equity \$
At 1 January 2017	315	6,652,500	(7,478,273)	8,514,427	7,688,969
Loss for the financial year	-	-	-	(17,427)	(17,427)
Other comprehensive income	-	-	1,057,964	-	1,057,964
Total comprehensive income for the year	-	-	1,057,964	(17,427)	1,040,537
At 31 December 2017	315	6,652,500	(6,420,309)	8,497,000	8,729,506
Loss for the financial year	-	-	-	(208,252)	(208,252)
Other comprehensive expense	-	-	(414,591)	-	(414,591)
Total comprehensive expense for the year	-	-	(414,591)	(208,252)	(622,843)
At 31 December 2018	315	6,652,500	(6,834,900)	8,288,748	8,106,663

Phillips 66 Trading Limited
Notes to the financial statements
for the year ended 31 December 2018

1 Accounting policies

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2018.

1.1 Statement of compliance

Phillips 66 Trading Limited (the "Company") is a private company limited by shares incorporated and domiciled in England. These Financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework' (FRS 101) and in accordance with the Companies Act 2006.

1.2 Basis of preparation

The Financial statements are prepared under the historical cost convention. The company is exempt from preparing consolidated financial statements under section 401 of the Companies Act 2006. Consolidated financial statements that include the results of the company are prepared by the company's ultimate parent company, Phillips 66, a company registered in Delaware, USA., and are available online at www.phillips66.com.

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

- the requirements of paragraphs 10 (d) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transactions is wholly owned by such a member.

As the consolidated financial statements of Philips 66 include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 Financial Instrument Disclosure;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement; and
- IAS 36 Impairments - certain disclosures

1.3 Related party transactions

In accordance with paragraphs 8(k) and (j) of FRS 101, the company has taken advantage of the exemption not to disclose related party transactions with other wholly-owned members of the group, or key management personnel.

1.4 Significant accounting policies

(a) Presentation currency

The financial statements are prepared in US Dollars and are rounded to the nearest dollar.

Phillips 66 Trading Limited
Notes to the financial statements
for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

1.4 Significant accounting policies (continued)

(b) Functional currency

The functional currency of the company is Euro. A 'currency translation reserve' is created due to Euros functional currency within the entity. The company has adopted United States Dollars as its presentational currency to ensure consistency with other companies within the group.

Transactions in currencies other than the functional currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the rate of exchange ruling at the end of the financial period. Exchange gains or losses are taken to the Income statement.

The results and financial position are translated from the functional currency to the reporting currency at the exchange rate ruling when the transaction was entered into for the Income Statement account and the rate of exchange ruling at the end of the financial period for the Balance sheet, except for share capital, share premium and other reserves which are translated at historic rates. All resulting exchange differences are taken to the other comprehensive income.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

(d) Going concern

These financial statements have been prepared on a going concern basis. The directors believe that this is appropriate as they have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future.

(e) Taxation

Current taxation, comprising UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and law that have been enacted or substantively enacted by the balance sheet date.

(f) Share premium

The share premium account represents the excess value of the share capital received by the company above the nominal value of the shares issued.

(g) Significant judgements and estimates

There have been no significant judgements or estimates made in the preparation of the financial statements.

(h) Interest expense

Interest expense is recognised as incurred.

(i) Derivative instruments

The company uses derivative financial instruments such as futures to hedge price risk on activities relating to the EU Emissions Trading Scheme. These derivatives are reported at fair value, as assets when the fair value is positive, and as liabilities when the fair value is negative. The company does not apply hedge accounting.

Phillips 66 Trading Limited
Notes to the financial statements
for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

1.4 Significant accounting policies (continued)

(j) Financial assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified at amortised cost.

Financial assets at amortised cost:

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The company's financial assets at amortised cost includes group company trade receivables and cash at bank.

Impairment of financial assets:

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows expected to be received.

For group trade receivables the company applies a simplified approach in calculating ECLs. The company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Changes in accounting policies and disclosures

New standards

The company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

IFRS 15 Revenue from contracts with customers:

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The company adopted IFRS 15 using the full retrospective method of adoption. There has been no impact of the adoption on the current and previous periods financial statements.

Phillips 66 Trading Limited
Notes to the financial statements
for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Changes in accounting policies and disclosures (continued)

New standards (continued)

IFRS 9 Financial instruments:

IFRS 9 has brought together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The company has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018 and adjusting the comparative information for the period beginning 1 January 2017. There has been no impact of the adoption on the current and previous periods financial statements.

(a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the company's business model was made on the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact on the company.

(b) Impairment

The adoption of IFRS 9 has introduced a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

The adoption of IFRS 9 resulted in no additional impairment on the company's trade receivables.

2 Turnover

Turnover represents the invoiced value of energy and carbon trades and other costs recharged to group companies.

3 Operating loss

2018	2017
\$	\$

This is stated after crediting:

Foreign currency translation gains	1,705	18,698
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Phillips 66 Trading Limited
Notes to the financial statements
for the year ended 31 December 2018 (continued)

4 Information regarding directors and employees

(a) Directors' remuneration

No emoluments were paid to the directors for their qualifying services to Phillips 66 Trading Limited in the current and preceding period. Directors emoluments are reported in Phillips 66 Limited.

Phillips 66 manages its operations at a segmental and geographical level. For this reason the company's directors believe that it is not practicable to apportion their remuneration between qualifying services for this company and the other group companies in which they hold office.

(b) Employees

The company had no employees in the current and preceding period. All contracts of employment are held by Phillips 66 Limited.

5 Auditor remuneration	2018	2017
	\$	\$
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>32,384</u>	<u>33,047</u>

There have been no other fees payable in relation to non-audit services.

6 Interest payable	2018	2017
	\$	\$
Bank overdrafts	<u>1,189</u>	<u>97</u>

7 Taxation

(a) Tax credit in the income statement

	2018	2017
	\$	\$
Current income tax:		
UK corporation tax credit	(55,374)	(1,516)
Amounts over provided in previous years	(196)	(42)
Total current income tax credit	<u>(55,570)</u>	<u>(1,558)</u>
Tax credit in the income statement	<u>(55,570)</u>	<u>(1,558)</u>

The tax credit in the income statement is disclosed as follows:

Income tax credit	<u>(55,570)</u>	<u>(1,558)</u>
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Phillips 66 Trading Limited
Notes to the financial statements
for the year ended 31 December 2018 (continued)

7 Taxation (continued)

(b) Reconciliation of the total tax credit

The tax benefit in the Income statement for the year varies from the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are reconciled below:

	2018	2017
	\$	\$
Loss before taxation	(263,822)	(18,985)
Accounting loss before income tax	<u>(263,822)</u>	<u>(18,985)</u>
Tax calculated at UK standard rate of corporation tax of 19% (2017: 19.25%)	(50,126)	(3,655)
Effects of:		
Foreign currency differences	(5,403)	1,352
Expenses not deductible for tax	155	787
Tax over provided in previous years	<u>(196)</u>	<u>(42)</u>
Total tax credit reported in the income statement	<u>(55,570)</u>	<u>(1,558)</u>

(c) Change in corporation tax rate

Under enacted legislation, the main rate of corporation tax reduces to 17% from 1 April 2020. These rate reductions are not anticipated to have a material impact on the company's future tax position.

8 Debtors due within one year	2018	2017
	\$	\$
Trade debtors	343	-
Amounts owed by group companies	54,540	1,597
Other debtors	-	4,474
	<u>54,883</u>	<u>6,071</u>
9 Creditors: amounts falling due within one year	2018	2017
	\$	\$
Trade creditors	33,574	1,198
Amounts owed to group companies	35,558	324,235
Corporation tax	-	11,779
Accruals and deferred income	-	20,032
	<u>69,132</u>	<u>357,244</u>

The company trades futures to manage price risk associated with the EU Emissions Trading Scheme.

Phillips 66 Trading Limited
Notes to the financial statements
for the year ended 31 December 2018 (continued)

10 Share capital and rights attaching to the Company's shares

		2018	2017
		\$	\$
Allotted, called up and fully paid:	Authorised		
200 \$1.565 (£1) Ordinary shares	200	315	315

Subject to the provisions of Companies Act 2006 and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine or, subject to and in default of such determination, as the directors shall determine. There are currently no shares with special rights.

Distribution

Subject to the provisions of Companies Act 2006, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

11 Capital management

The company is entirely equity financed, with no external debt, and is not subject to any externally imposed capital requirements. Management maintain capital at a level in excess of the forecast trading needs of the company.

	2018	2017
	\$	\$
Equity	8,106,663	8,729,506

12 Ultimate controlling party

Phillips 66, a company registered in Delaware, USA, which the directors regard as the company's ultimate parent undertaking with respect to the year to 31 December 2018, is the parent undertaking of the largest group of undertakings for which group Financial statements are drawn up and of which the company is a member. Copies of the 2018 Annual report may be obtained from 2331 CityWest Blvd, Houston, TX 77042, USA.

Phillips 66 Limited, a company registered in England is the immediate parent undertaking with respect to the year ended 31 December 2018.