
ESSO UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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ESSO UK LIMITED

COMPANY INFORMATION

. DIRECTORS

R M Cooper
W A E D Don (resigned 1 March 2019)
A M Johnson (appointed 1 March 2019)
S P Downing
J L Jackson (resigned 13 June 2019)
D S Bagley (appointed 13 June 2019)

COMPANY SECRETARY

F H Harness

REGISTERED NUMBER

1589650

REGISTERED OFFICE

Ermyrn House
Ermyrn Way
Leatherhead
Surrey
KT22 8UX

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
United Kingdom
WC2N 6RH

COMPANY TYPE

Esso UK Limited is a private company, limited by shares and registered in England and Wales

ESSO UK LIMITED

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ESSO UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the audited financial statements for Esso UK Limited (the "Company") for the year ended 31 December 2019.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the directors must not approve the financial statements unless 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

FINANCIAL RISK MANAGEMENT

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006, to set out information related to financial risk management, in the Company's Strategic report below.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £464M (2018 - £292 million).

Dividends of £580M were recommended by the directors and paid during the year (2018 - NIL).

FUTURE DEVELOPMENTS

The Company intends to continue with its current principal activity.

POST BALANCE SHEET EVENT

In March 2020 the UK Government imposed restrictions on business conducted in the UK, in response to the Covid 19 pandemic. Further information on the Company's consideration of the impact of Covid 19 on the business is contained in the section "Principal risks and uncertainties" in the Strategic report that follows.

ESSO UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS

The directors who served during the year were:

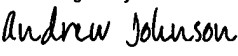
R M Cooper
W A E D Don (resigned 1 March 2019)
A M Johnson (appointed 1 March 2019)
S P Downing
J L Jackson (resigned 13 June 2019)
D S Bagley (appointed 13 June 2019)

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

DocuSigned by:

.....BFD4260E38354F3.....
A M Johnson
Director

Date: August 24, 2020

ESSO UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as a holding company of the subsidiaries listed in note 10 to the financial statements.

BUSINESS REVIEW

The Company has net assets of £1,920M (2018 - £2,036M).

Also during the year, the Company received unscheduled payments of the principal of loans receivable, from ExxonMobil group undertakings, totalling £70M.

KEY PERFORMANCE INDICATORS

The business of the Company is managed on a divisional basis and performance is measured in areas such as safety, the environment, operations and finance. Performance indicators are regularly shared with divisional management, including representatives of the ultimate parent company, Exxon Mobil Corporation.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Section 172 of the UK Companies Act 2008 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following factors (the "172 Factors"):

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly between members of the company.

The members of the Board of Directors of the Company are all senior management personnel who either work directly for the Company, or head key functions that support the running of the Company. As part of their appointment to the Board of Directors, each director is briefed on their duties and can access professional advice on these, either from the company secretary or, if they judge it necessary, from an independent adviser. Each year the members of the Board of Directors are required to re-affirm their roles and responsibilities as a director of the Company.

The Board of Directors has adopted a delegation of authority guide (DOAG) which documents the delegation of authority from the Board of Directors in respect of specified matters, and the associated review requirements and final review levels.

The Company's ultimate parent company Exxon Mobil Corporation (the "Corporation") has developed and adopted certain "Guiding Principles" and "Standards of Business Conduct". All wholly-owned and majority-owned subsidiaries of the Corporation generally adopt similar policies. Accordingly, the Company's Board of Directors has adopted the Guiding Principles and Standards of Business Conduct as the basis for the conduct of the Company's business and its engagement with its key stakeholders. Many of these Principles and Standards of Business Conduct described further in this Strategic report, have a close synergy with the 172 factors. In carrying out their role of overseeing the implementation and administration of the Principles and Standards of Business Conduct in the business of the Company, the directors concurrently have appropriate regard to the 172 Factors.

ESSO UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (CONTINUED)

Against the above background, the following paragraphs summarise how the directors have had regard to the 172 Factors, focusing on the matters that are of strategic importance to the Company, consistent with the size and complexity of its business.

Long term consequences of decisions

While the Company maintains its flexibility to adapt to changing conditions, the nature of the industry in which the Company operates requires a focused long-term approach.

Each year, the Corporation publishes a view of long term energy demand and supply in an Outlook for Energy report. The Outlook for Energy helps to inform the Company's long-term business strategies, investment plans and research programmes.

The Corporation also publishes an Energy and Carbon summary, which describes how it is doing its part to address the dual challenges of working to manage environmental impacts whilst meeting the global growth in energy demand.

The directors engage in an annual corporate planning process pursuant to which long-range strategies and plans are developed, adopted and reviewed. The directors oversee the conduct of the business of the Company in accordance with these long-term strategies and plans, the Company's Guiding Principles and Foundation Policies and the Company's system for measuring and mitigating environmental risk, detailed below.

The directors are actively engaged in monitoring the economic environment in which the Company operates and managing the Company's exposure to the risks presented by it.

For further details on the Company's exposure to risk and how it manages its risk environment, refer to the sections of this Strategic report entitled "Principal risks and uncertainties" and "Financial risk management".

Our personnel

The Company has no direct employees, but has one direct subsidiary, International Marine Transportation limited and two indirect subsidiaries, Esso Petroleum Company, Limited and ExxonMobil Chemical Limited, that are employing companies. Engagement with those personnel is effected through the programmes and policies detailed in the financial statements of those subsidiaries.

Business relationships

The Company is a holding company and has no interaction with entities outside of the companies within its own group, or the companies and affiliates of the larger ExxonMobil Corporate group.

Community and environment

The Company's environmental policy is detailed at the end of this Strategic report.

The Company is a holding company and has no physical presence, therefore it has no direct impact on the environment, or interaction with communities, other than through its subsidiary companies. The details of how those companies engages with the environment and the communities in the regions in which they operate can be found in the individual financial statements of those companies. The principal subsidiaries of the Company are listed in note 11 to these Financial Statements.

ESSO UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (CONTINUED)

Maintaining a reputation for high standards of business conduct.

The Company believes that how we achieve strong results is as important as the results themselves. The Company's directors, officers and employees are expected to observe the highest standards of integrity in conducting its business.

To achieve this the Board of Directors of the Company have adopted and oversee the administration of the Corporation's Guiding Principles and Standards of Business Conduct.

The Standards of Business Conduct adopted by the Company comprise: Ethics Policy; Conflicts of Interest Policy; Corporate Assets Policy; Directorships Policy; Gifts and Entertainment Policy; Anti-Corruption Policy; Political Activities Policy; International Operations Policy; Antitrust Policy; Health Policy; Environment Policy; Safety Policy; Product Safety Policy; Customer Relations and Product Quality Policy; Alcohol and Drug Use Policy; Equal Employment Opportunity Policy; and Harassment in the Workplace Policy.

These policies together with the Procedures and Open Door Communication policies, collectively express the Company's expectations, define the basis for the conduct of the Company in its business and guide the Company's engagement with all of its stakeholders.

All directors, officers and employees of the Company are required to apply the Standards of Business Conduct in their work, routinely review the Standards of Business Conduct in a company training forum and annually provide a certification of their compliance with the Standards of Business Conduct.

The Guiding Principles and Standards of Business Conduct are published and publicly available on the Corporation's website detailed at the end of this report.

Shareholders

The Company is the wholly owned subsidiary of another US registered ExxonMobil entity and ultimately of Exxon Mobil Corporation, as detailed by Note 18 - Controlling Party.

The Guiding Principles adopted by the Company set out the Company's commitment to enhancing the long-term value of the investment entrusted to the Company by its shareholders.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties comprise financial risks, health and safety and environment. The Company's policies relating to financial risk management, health and safety and environment are set out in the paragraphs below.

While there is no immediate material change for the Company following the United Kingdom's formal withdrawal from the European Union on 31 January 2020, the Company is continuing to monitor and where appropriate, actively manage any potential impact on the Company of the eventual form, post transition period, of the UK's future relationship with the EU.

The Company is actively managing its response to the Covid 19 pandemic. It continuously monitors the changing economic environment and its impact on the following key areas; non-financial assets; financial instruments and leases; non-financial obligations; revenue recognition; and going concern.

ESSO UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

The Company has not carried out a full assessment of the financial effects that the slow-down in the economic environment resulting from the Covid 19 restrictions has had on its business, but has given consideration to those key areas that are relevant to its business, which are outlined in the following paragraphs:

- The Company's principal activity to act as a holding company, gives it minimal exposure to financial and non-financial obligations outside of the ExxonMobil group. It therefore considers its exposure to additional risks to be low.
- The Company acts as a holding company to entities whose business activities are based mainly in the United Kingdom, Europe and Singapore regions. It regularly assesses those investments for indications of impairment and while the Company anticipates that future dividend income from those entities may vary, as a result of the regionally imposed travel and working restrictions, there is nothing to indicate that any of those investments should be impaired.

The Company therefore believes that to prepare the financial statements on a going concern basis, is still appropriate.

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks from a variety of factors that include price, credit, liquidity, interest rates and foreign exchange.

Price risk - The Company is exposed to fluctuations in oil, petrochemical and gas prices as a result of its operations. The Company does not use derivative financial instruments to manage the risk of fluctuating prices, so no hedge accounting is applied. The Company will revisit the appropriateness of this policy should operations change in nature.

Liquidity risk - The Company actively manages its finances to ensure that it has sufficient available funds for its operations. It is the directors' understanding that the ExxonMobil group companies will continue to provide suitable resources to the Company to meet its needs. The Company has a process in place to monitor the best financing structure and periodically reviews its strategies. Following such review, loans may be repaid prior to their maturity date or extended or replaced by alternative funding arrangements.

Interest rate risk - The Company can have both interest bearing assets and liabilities; these are generally held at floating rates. The Company monitors its portfolio of interest bearing assets and liabilities and their financial impact. The Company will reconsider the appropriate structure of its portfolio should operations change in size or nature.

Foreign exchange risk - The Company may have assets and liabilities denominated in foreign currencies, predominantly the US Dollar and the Euro. No derivative financial instruments are used to manage the risk of fluctuating exchange rates, so no hedge accounting is applied. The Company has in place a foreign exchange policy and will reconsider the appropriateness of this policy should operations change in nature.

HEALTH AND SAFETY

The Company's policy is to conduct its business in a manner that protects the safety of those involved in its operations, customers and the public. The Company strives to prevent all accidents, injuries and occupational illnesses through its Operations Integrity Management System. This is embedded into everyday work processes at all levels of the organisation and addresses all aspects of managing safety and health, as well as security, environmental and social risks at our facilities. The Company is committed to continuous efforts to identify and eliminate or manage health and safety risks associated with its activities.

ESSO UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**


ENVIRONMENTAL POLICY

The Company has a policy to conduct its business in a manner that is compatible with the balanced environmental and economic needs of the community. Further, it is the Company's policy to comply with all applicable environmental laws and regulations and apply responsible standards where laws and regulations do not exist.

The Company's key principles and commitments in the areas of safety, health and the environment, among others, are consistent with those of its ultimate parent company, Exxon Mobil Corporation. Each year, Exxon Mobil Corporation publishes a detailed and comprehensive Sustainability Report that gives a full account of its positions, actions and performance.

Copies of this publication can be obtained by writing to: Exxon Mobil Corporation, Attn Public & Government Affairs, CCR Requests, 5959 Las Colinas Boulevard, Irving, Texas 75039-2298, USA. Alternatively, it can be viewed on www.exxonmobil.com.

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

DocuSigned by:

.....BFD42E0E3835AF3.....
A M Johnson
Director

Date: August 24, 2020

ESSO UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSO UK LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Opinion**

In our opinion, Esso UK Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the 'Annual Report'), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report 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, accordingly, we do not express an audit opinion, or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

ESSO UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSO UK LIMITED

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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 year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit**Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

ESSO UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSO UK LIMITED

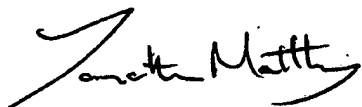
OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jonathan Matthews (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date: 24 August 2020

ESSO UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

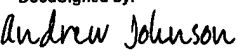
	Note	2019 £M	2018 £M
Income from fixed asset investments	6	460	300
Interest receivable and similar income	7	5	8
Interest payable and similar expenses	8	-	(15)
Profit before tax		465	293
Tax on profit	9	(1)	(1)
Profit for the financial year		464	292
Total comprehensive income for the year		464	292

ESSO UK LIMITED
REGISTERED NUMBER: 1589650

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £M	2018 £M
Fixed assets			
Fixed asset investments	11	1,517	1,517
		<u>1,517</u>	<u>1,517</u>
Current assets			
Debtors: Amounts falling due after more than one year	12	380	450
Debtors: Amounts falling due within one year	12	25	71
		<u>405</u>	<u>521</u>
Creditors: Amounts falling due within one year	13	(2)	(2)
Net current assets		<u>403</u>	<u>519</u>
Total assets less current liabilities		<u>1,920</u>	<u>2,036</u>
Net assets		<u>1,920</u>	<u>2,036</u>
Capital and reserves			
Called up share capital	15	28	28
Profit and loss account	16	1,892	2,008
		<u>1,920</u>	<u>2,036</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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A M Johnson
 Director

Date: August 24, 2020

ESSO UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital £M	Profit and loss account £M	Total equity £M
At 1 January 2019	28	2,008	2,036
Comprehensive income for the financial year			
Profit for the financial year	-	464	464
Contributions by and distributions to owners			
Dividends: Equity capital	-	(580)	(580)
At 31 December 2019	28	1,892	1,920

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital £M	Profit and loss account £M	Total equity £M
At 1 January 2018	28	1,716	1,744
Comprehensive income for the financial year			
Profit for the financial year	-	292	292
At 31 December 2018	28	2,008	2,036

The notes on pages 14 to 24 form part of these financial statements.

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, (The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied consistently:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Exxon Mobil Corporation as at 31 December 2019 and these financial statements may be obtained from Exxon Mobil Corporation, Shareholder Relations, Post Office Box 140369, Irving, Texas 75014 - 0369, USA.

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)**1.3 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

The cost of investment in a subsidiary is based on the discounted future cash flows of that subsidiary. In doing so, estimates and assumptions are made, at the time the transaction takes place, in respect of the discount rate used and the projected future activity of the business.

Annually at the reporting date, the Company assesses whether there may be an indication for impairment. Only if the assessment determines that there may be an impairment, does the Company estimate the recoverable amount of the subsidiary.

The recoverable amount of the subsidiary is the higher of its fair value less costs to sell and its value in use. If either of these estimates exceeds the carrying value of the subsidiary, it is not impaired.

The value in use is determined by re-estimating the discounted future cashflows of that subsidiary, using a discount rate that is based on a pre-tax risk free rate.

If it is determined that the recoverable amount of the asset is lower than the carrying value of the asset, the resulting impairment is recognised immediately in the statement of comprehensive income.

1.4 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

All financial liabilities are held at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)**1.5 Foreign currency translation**

Functional and presentation currency of the Company is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

1.6 Borrowing costs

Borrowing costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

1.8 Interest income

Interest income is recognised in the statement of comprehensive income the effective interest method.

1.9 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 in the countries where the Company operates and generates income.

1.10 Cash

As part of ExxonMobil's Treasury operations, the Company participates in an interest bearing bank account sweeping arrangement with another ExxonMobil group undertaking whereby the transactions cleared by the banks included in this arrangement are transferred to that undertaking on a daily basis. The net amount as at the statement of financial position date is fully liquid with the Company retaining full ability to access the cash at any time. Interest is charged at GBP LIBOR plus 0.50% on overdraft positions and GBP LIBOR less 0.1% on deposit positions.

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY
Significant Judgements

In preparing the financial statements, no significant judgements have been made in applying the Company's accounting policies.

Estimates

In applying the Company's accounting policies described above, the key sources of estimation uncertainty that carry risk of a material adjustment to the carrying value of assets or liabilities in the preparation of these financial statements include:

- should an impairment be indicated, the carrying value of Investments in subsidiaries.

The details of the assumptions used are set out in the accounting policies and the notes to the financial statements.

3. AUDITORS' REMUNERATION

	2019	2018
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	20	24
	<hr/>	<hr/>
Fees payable to the Company's auditor by the Company's associates in respect of:		
Audit fees	646	605
Audit related assurance services	104	135
Other assurance services	58	4
All other services	1	1
Audit of the pension scheme	3	3
Audit-related assurance services in relation to the pension scheme	56	55
	<hr/>	<hr/>

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. PERSONNEL COSTS

The Company has no employees.

5. DIRECTORS' REMUNERATION

Directors' remuneration is borne by other ExxonMobil affiliates.

6. INCOME FROM FIXED ASSET INVESTMENTS

	2019 £M	2018 £M
Dividends received from unlisted investments	460	300

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £M	2018 £M
Interest receivable from group undertakings	5	8

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £M	2018 £M
Interest payable to group undertakings	-	15

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. TAXATION

	2019 £M	2018 £M
Corporation tax		
Current tax on profits for the year	<u>1</u>	<u>1</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2018 - *lower than*) the average standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £M	2018 £M
Profit before tax	<u>465</u>	<u>292</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	88	56
Effects of:		
Disallowable interest expense	-	2
Non-taxable dividend income	(87)	(57)
Total tax charge for the year	<u>1</u>	<u>1</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Corporation Tax has been calculated at 19% of the taxable profits for the year (2018 - 19%). Legislation was enacted in September 2016 to reduce the rate to 17% effective from 1 April 2020, but in March 2020 the government announced that the rate is to remain 19% from 1 April 2020 and that this change is to be included in Finance Act 2020.

10. DIVIDENDS

	2019 £M	2018 £M
Dividends paid on equity capital	<u>580</u>	<u>-</u>

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. FIXED ASSET INVESTMENTS

	Investments £M
Cost or valuation	
At 1 January 2019	1,517
At 31 December 2019	1,517

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company

Name	Class of shares	Holding
Esso Exploration and Production UK Limited	Ordinary	100%
Esso Exploration and Production UK Limited	Redeemable Ordinary	100%
ExxonMobil International Limited	Ordinary	100%
ExxonMobil International Limited	Redeemable Ordinary	100%
ExxonMobil UK Limited	Ordinary	100%
ExxonMobil UK Limited	Redeemable Ordinary	100%
International Marine Transportation Limited	Ordinary	100%
Mobil Trading and Supply Limited	Ordinary	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding
Esso Petroleum Company, Limited	Ordinary	100%
Esso Petroleum Company, Limited	Redeemable ordinary	100%
ExxonMobil Chemical Limited	Ordinary	100%
ExxonMobil Chemical Limited	Redeemable ordinary	100%
Advanced Elastomer Systems Limited	Ordinary	100%
ExxonMobil Gas Marketing Europe Limited	Ordinary	100%
ExxonMobil Gas Marketing Europe Limited	Redeemable ordinary	100%
ROC UK Limited	Ordinary	100%
ExxonMobil Marine Limited	Ordinary	100%
ExxonMobil Chemical Investment Company Limited	Ordinary	100%
ExxonMobil Chemical Investment Company Limited	Redeemable preferred	100%
International Marine Transport Singapore Pte. Ltd.	Ordinary	100%
ExxonMobil Aviation International Limited	Ordinary	100%
ExxonMobil Pension Trust Limited	Ordinary	100%
PT Federal Karyatama	Common Stock	100%

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. FIXED ASSET INVESTMENTS (CONTINUED)**Indirect investments**

The following were indirect investments of the Company:

Name	Registered office	Holding
Gatwick Airport Storage and Hydrant Company Limited	Ordinary	25%
Heathrow Hydrant Operating Company Limited	Ordinary	20%
Stansted Fuelling Company Limited	Ordinary	29%

All of the direct and indirect subsidiary undertakings are registered in England and Wales with their registered office at Ermyn House, Ermyn Way, Leatherhead, Surrey KT22 8UX, unless stated otherwise.

PT Federal Karyatama is registered in Indonesia and has its registered office at Prominence Tower, Jl. Jalur Sutera Barat Kav. 15, Pinang, Tangerang, Banten, Indonesia.

International Marine Transportation Singapore Pte. Ltd. is registered in Singapore and has its registered office at 1 HarbourFront Place, #07-00, HarbourFront Tower One, Singapore, 098633, Singapore.

Gatwick Airport Storage and Hydrant Company Limited is registered in England and Wales and has its registered office at 8 York Road, London, SE1 7NA.

Heathrow Hydrant Operating Company Limited is registered in England and Wales and has its registered office at Building 1204, Sandringham Road, Heathrow Airport, Hounslow, Middlesex, TW6 3SH.

Stansted Fuelling Company Limited is registered in England and Wales and has its registered office at Ermyn House, Ermyn Way, Leatherhead, Surrey KT22 8UX.

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. DEBTORS

	2019 £M	2018 £M
Due after more than one year		
Amounts owed by group undertakings	380	450
	<hr/>	<hr/>
	2019 £M	2018 £M
Due within one year		
Amounts owed by group undertakings	25	71
	<hr/>	<hr/>
	25	71
	<hr/>	<hr/>

The Company participates in an interest-bearing bank account sweeping arrangement with another ExxonMobil group undertaking whereby the transactions cleared by the banks included in this arrangement are transferred to that undertaking on a daily basis. The net amount of £25M as at 31 December 2019 is included in 'Due within one year: Amounts owed by group undertakings' (2018 - £70M).

Included in the amounts falling due after more than one year is an amount of £380M (2018 £450M) with interest payable in quarterly instalments, a principal which is payable at the end of the loan term that is 31st of October 2023 and carries variable interest at 3 Month GBP LIBOR +0.3% (2018 - 3 Month GBP LIBOR +0.25%).

During the year the Company received an unscheduled part-payment of the principal related to this loan amounting to £70M.

All other amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date.

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. CREDITORS: Amounts falling due within one year

	2019 £M	2018 £M
Corporation tax	<u>2</u>	<u>2</u>

14. FINANCIAL INSTRUMENTS

	2019 £M	2018 £M
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>405</u>	<u>521</u>

15. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
28,385,202 (2018 - 28,385,202) Ordinary shares of £1 each	<u>28,385,202</u>	<u>28,385,202</u>

16. RESERVES**Profit and loss account**

Profit and loss account represents accumulated comprehensive income for the year and prior years less dividends.

ESSO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. POST BALANCE SHEET EVENTS

The Company is actively managing its response to the Covid 19 pandemic. It continuously monitors the changing economic environment and its impact on the following key areas; non-financial assets; financial instruments and leases; non-financial obligations; revenue recognition; and going concern.

The Company has not carried out a full assessment of the financial effects that the slow-down in the economic environment resulting from the Covid 19 restrictions has had on its business, but has given consideration to those key areas that are relevant to its business, which are outlined in the following paragraphs:

- The Company's principal activity to act as a holding company, gives it minimal exposure to financial and non-financial obligations outside of the ExxonMobil group. It therefore considers its exposure to additional risks to be low.
- The Company acts as a holding company to entities whose business activities are based mainly in the United Kingdom, Europe and Singapore regions. It regularly assesses those investments for indications of impairment and while the Company anticipates that future dividend income from those entities may vary, as a result of the regionally imposed travel and working restrictions, there is nothing to indicate that any of those investments should be impaired.

The Company therefore believes that to prepare the financial statements on a going concern basis, is still appropriate.

18. CONTROLLING PARTY

The immediate parent company is Esso Holding Company U.K. Inc. The ultimate parent company and controlling party is Exxon Mobil Corporation, incorporated in New Jersey, USA. Exxon Mobil Corporation is listed on the New York Stock Exchange and its shares are widely dispersed. The smallest and largest group of which the Company is a member and for which group financial statements are prepared is Exxon Mobil Corporation. Financial statements can be obtained from Exxon Mobil Corporation, Shareholder Relations, Post Office Box 140369, Irving, Texas 75014 - 0369, USA.