Registered number: 26538

ESSO PETROLEUM COMPANY, LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

ESSO PETROLEUM COMPANY, LIMITED

COMPANY INFORMATION

DIRECTORS	R M Cooper W A E D Don (resigned 1 March 2019) S P Downing A M Johnson (appointed 1 March 2019)
COMPANY SECRETARY	F H Harness
REGISTERED NUMBER	26538
REGISTERED OFFICE	Ermyn House Ermyn 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 Petroleum Company, Limited is a private company, limited by shares and registered in England and Wales

ESSO PETROLEUM COMPANY, LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements for Esso Petroleum Company, 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 £123M *(2018 - loss £76M)*.

No dividends were recommended by the directors or paid during the year *(2018 - £NIL)*.

CHARITABLE CONTRIBUTIONS

During 2019, the Company made charitable donations in support of the community of £0.3M *(2018 - £0.4M)*.

FUTURE DEVELOPMENTS

The Company intends to continue with its current principal activity.

POST BALANCE SHEET EVENTS

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.

DIRECTORS

The directors who served during the year were:

R M Cooper
W A E D Don (resigned 1 March 2019)
S P Downing
A M Johnson (appointed 1 March 2019)

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company is able to call on the extensive research and development resources of its ultimate parent company, Exxon Mobil Corporation.

This includes research into automotive and aviation fuels and engine lubricants and comprehensive technical support, covering crude oils, industrial fuels and lubricants, bitumen and greases. Research and guidance on environmental matters is also provided by other members of the ExxonMobil group.

EMPLOYEE INVOLVEMENT

The Company is an equal opportunity employer and complies with all relevant legislation.

The Company's policy is also to ensure that equal opportunities, including applications for employment, training, career development and promotion exist for disabled persons and employees who have become disabled while employed by the Company having regard to their particular circumstances. The Company is committed to accommodating individuals with a disability where reasonably possible, through reasonable adjustments to their work or working environment.

The Company has established over many years a comprehensive programme of employee communication and consultation to systematically provide employees with information on matters of concern to them or their representatives, so that their views can be taken into account when making decisions that are likely to affect their interests. The directors are committed to the continued involvement of employees in this way as an essential element in the Company remaining efficient and competitive. It is an integral part of management's responsibility to ensure that all employees understand the Company's objectives and the contribution that each individual can make to the achievement of those objectives.

Details regarding the directors engagement with employees is set out in the Strategic report that follows, under the heading "Our personnel".

BUSINESS RELATIONSHIPS

Details of our engagement with and regard to other key stakeholders including suppliers and customers, is set out in the Strategic report that follows.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

This statement is made pursuant to Section 26(2) of The Companies (Miscellaneous Reporting) Regulations 2018. The following section sets out the arrangements for corporate governance that were applied in respect of the Company in 2019.

A number of group-wide policies and procedures are developed by the Company's ultimate parent company, Exxon Mobil Corporation (the "Corporation") and adopted by the Company. Collectively, these policies and procedures incorporate the essential elements of effective corporate governance. Accordingly, the Company does not adopt a separate corporate governance code.

In the following paragraphs we consider the six Wates Corporate Governance Principles for Large Private Companies within the context of the policies and procedures adopted by the Company and used in its business.

Purpose and leadership

The first of the Wates Principles states that an effective board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose.

In its statement of Guiding Principles, the Corporation expresses its commitment to being the world's premier petroleum and chemical manufacturing company. As a subsidiary of the Corporation, the Company has a well-developed and defined purpose, as reflected in its principal activities of the processing and sale of crude oil, natural gas and petroleum products.

The development of the 2019 annual corporate plan for the business of the Company involved directors of the Company, senior managers of the Company's business and its functional advisers. The plan was ultimately approved by representatives of the Corporation.

Throughout 2019, the directors participated in quarterly review meetings with business line managers and senior advisors from Law, Tax, Controllers, Public and Government Affairs ("P&GA"), Safety, Security, Health & Environment ("SSHE") and Human Resources ("HR"). These meetings provided opportunity to engage on the Company's performance against plan and other key performance indicators, including SSHE. Updates from the business lines, the HR and P&GA departments were standing items at all such meetings.

The values of the Company are reflected in the Statement of Guiding Principles, Standards of Business Conduct and Procedures & Open Door Communications which have been adopted by the Company. 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 certification of their compliance with the Standards of Business Conduct.

A particular focus in 2019 was the promotion of the equal opportunities policy through a number of inclusion and diversity ("I&D") initiatives, which culminated in a week of I&D events across all sites and the publication of the Company's gender pay gap review.

As noted in the "Our personnel" section of the Strategic report, directors participated in a number of employee forums and the quarterly employee Services Information and Consultation Council, offering opportunities for open dialogue with the workforce with regards to the business of the Company and the promotion of its values and culture. As detailed by the Strategic report, there have been a number of engagements with other stakeholders throughout 2019, organised to promote engagement and dialogue on the Company's core values.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (CONTINUED)

Board composition

The second of the Wates Principles states that an effective board composition requires an effective chair and a balance of skill, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution, noting that the size of a board should be guided by the scale and complexity of the company.

Each of the directors is an employee, either of the Company, or of another ExxonMobil affiliate. Nominations to the Board of Directors (the "Board") are required to be reviewed by certain functional advisors and a senior manager from the business line. The review procedure specifically provides that individuals may not final review their own election or appointment. The associated guidelines require that nominees:

- are able to represent and speak for the interests of the Company's shareholders;
- collectively have the necessary technical and business acumen to deal with both the specific and broad range of affairs of the Company; and
- include members who have a functional background specifically related to the Company's primary business activities as well as others with sufficient knowledge of essential supportive functions such as financial, legal and tax.

Throughout 2019, the Board comprised senior business and finance managers of the business of the Company.

Responsibilities

The third of the Wates Principles states that the board and individual directors should have a clear understanding of their accountability and responsibilities, with policies and procedures supporting effective decision-making and independent challenge.

Upon appointment to the Board, all directors complete an induction training programme, providing them with a clear understanding of their accountability and responsibilities. This is reviewed on an annual basis by the directors through a mandatory process for governance assurance, which is carried out globally and stewarded by the Corporation. The directors have access to dedicated legal and company secretarial resources.

Delegation of authority by the directors is documented in a Delegation of Authority Guide and a financial authority schedule, which provides for the appropriate review levels for the various transactions in respect of which authority has been delegated. The procedure provides reassurance to the directors that when matters come before the Board for review and/or approval, the quality and integrity of information is reliable.

The quarterly review meetings mentioned above provide the directors with an opportunity to review a variety of information relating to the business of the Company such as SSHE matters, KPIs, financial reporting, HR and stakeholder engagement; and engage with senior managers of the business of the Company.

These processes and engagements provide the directors with additional information to assist their effective stewardship of the Company's performance, enabling them to make informed decisions.

Opportunity and risk

The fourth of the Wates Principles provides that a board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (CONTINUED)

Opportunity and risk (continued)

Promotion of these two aspects of governance are enabled in the governance structure of the Company as follows:

- The Corporation has global functions whose purpose it is to identify opportunities to create and preserve the value of the Corporation's businesses. These functions work within the ExxonMobil risk management framework, which provides a structured and comprehensive approach to identify, prioritise and manage risks.
- The Company's Board acknowledges its responsibility for establishing oversight of the opportunities, risks and rewards identified and provides, through oversight of the application of the Delegation of Authority Guide that the business arrangements and transactions are appropriate to the Company's needs and are properly approved. Once an opportunity and its associated risks have been identified by a function, the functional manager presents it to the Company's Board for engagement and discussion and to provide the directors with an opportunity to consider the opportunity, in light of the long-term sustainable success of the Company.

Throughout the year the Board has been engaged in activity that demonstrates its promotion of the long-term sustainable success of the Company by the identification of opportunities and identification and mitigation of risks. Some of these activities are perennial, whilst others are singular events. For example; the Board undertook its annual review and reaffirmation of the Company's commitment to its Health and Safety policy and regularly monitored the Company's performance against the objectives set by that policy; it also undertook a detailed review and ultimately approved decisions to pursue investments in respect of certain capital projects in connection with existing assets.

Remuneration

The fifth of the Wates Principles states that a board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

Each of the directors is an employee, either of the Company, or of another ExxonMobil affiliate. Compensation programs and budgets, which include remuneration structures for all employees of the Company and its affiliates, are developed and endorsed by the HR department and subject to a documented process for review, endorsement and final review. Compensation design principles are intended to be aligned with the business strategy of the Company in that they are business driven, long-term oriented and intended to deliver levels of total remuneration that will attract, retain and reward high quality and productive employees in support of the Company's business objectives.

Stakeholder relationships and engagement

The sixth of the Wates Principles provides that directors should foster effective stakeholder relationships aligned to the company's purpose, with the board responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The Corporation's key stakeholders are identified in its Guiding Principles and The Standards of Business Conduct sets the framework for dialogue with its workforce and wider stakeholders.

The directors' statement of compliance with the duty to promote the success of the Company, included in the Company's Strategic report, explains how the Company's Board has adopted the Guiding Principles and Standards of Business Conduct, details the stakeholders that are key to the Company's business, the engagement with the various stakeholders in 2019 and how the directors have had regard to each of them through the year.

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:
Andrew Johnson
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A M Johnson
Director

Date: 5 November 2020

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL ACTIVITIES

The principal activities of the Company are the refining, distribution and marketing of petroleum products in the United Kingdom. The principal subsidiaries of the Company are listed in note 15 to the Financial Statements.

BUSINESS REVIEW

During 2019, the Company recorded an increase in gross profit as a result of an increase in refining margins. Profit for the year after taxation of £123M *(2018 - loss £76M)* was mainly due to the absence of the turnaround operating expenditure in 2019.

The Company has net assets of £1,783M *(2018 - £1,576M)*.

On 27 November 2019 the Company issued 150,000,000 £1 ordinary shares at par to its parent ExxonMobil UK Limited ("EMUKL") for cash consideration, to fund ongoing capital expenditure.

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 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 are required to re-affirm their roles and responsibilities as a director of the Company.

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

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

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 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.

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 recognises that the exceptional quality of its personnel provides a valuable competitive edge. To build on this advantage, the Company strives to hire and retain the most qualified people available and to maximise their opportunities for success through training and development. The Company is committed to maintaining a safe work environment enriched by diversity and characterised by open communication, trust and fair treatment.

The directors are committed to providing an environment that encourages the involvement of all of the Company's employees and this is reflected in the support provided to the development of employee-led resource groups that foster a culture of diversity and inclusion; the professional development of the workforce; the investment in the provision of voluntary health programs; the sharing of feedback on topics of interest through managers, internal surveys, company forums and the provision of a confidential hotline; and the use of social media platforms to share information.

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

Our personnel (continued)

The Corporation's annual 10k report is made available to all employees through the Company's intranet. Employees are encouraged to read the report and attend online global business forums and quarterly shareholder earnings reviews to share in corporate accomplishments and learn about the corporate objectives going forward. In addition, directors host various forums at the Company's own sites that employees are encouraged to attend to learn more about the UK business and provide opportunity for employees to engage with representatives from senior management.

All of the Company's sites operate a Services Information and Consultation Council ("Council"), which holds quarterly meetings that enable employees to engage with the management team on a broad range of topics of a local, regional or global nature that may be of interest. Each department has an employee representative on the Council and the Council is co-chaired by an employee representative and a member of the management team. In many instances the management team representative is a director of the Company.

During 2019, the Company published the results of its gender pay gap review for the second year running, driving engagement on Inclusion and Diversity more broadly. In September 2019, the Company ran a week of I&D events across a number of its sites and with its home-based populations. It also delivered inclusion training for supervisors and began preparation on its first Inclusion & Diversity report.

During the year the directors supported the promotion of employee networks at all of the Company's sites such as networks to promote healthy living ("Healthy Living Group" at Fawley and "LIFE" at our other sites); a network for new employees (NEME); a women's interest network (WIN) and an LGBTQ+ employee resource group (PRIDE).

Business relationships

Customers

We recognise that success depends on our ability to consistently satisfy ever-changing customer preferences. We commit to being innovative and responsive, while offering high-quality products and services at competitive prices.

We seek to cultivate an open dialogue with our customers, provide customer service numbers, and support marketing teams in responding to customer questions.

Suppliers

We acknowledge that our business success reflects on how well we manage those who work on our behalf.

The Company is supported by the Corporation's global procurement organisation, which assists the Company with its procurement strategy and its engagement with suppliers.

The Company engages with suppliers at all levels of management through dialogue and forums. This year we have held forums with suppliers to provide information on our culture of safety, environmental and human rights practices. We have also engaged with our suppliers on various topics including operational integrity, safety and expectations for suppliers.

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

Community and environment

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

The Company communicates with local residents in areas where we operate through direct correspondence and group meetings. We also have dedicated personnel responsible for community engagement as well as receiving, tracking, analysing and responding to potential community concerns.

The directors attend leadership meetings, reviews and reports throughout the year which cover a broad range of topics, including the community and the environment. Certain directors are also manufacturing facility managers.

A system called the Operations Integrity Management System ("OIMS") is used in the Company's business for measuring and mitigating environmental risk. OIMS contains elements related to leadership, operations and maintenance, community relations, emergency response, incident investigation, and information and documentation, among others. OIMS provides the framework that puts the Company's environment policy into action by establishing common expectations for addressing environmental risks.

The Company operates several facilities in the UK with the largest being its refinery at Fawley. The directors are briefed on community and environmental matters where relevant in the context of specific issues and transactions, which may be brought to the Board for consideration and approval. The directors also attend leadership meetings and receive and review reports throughout the year which cover a broad range of topics, including the community and the environment.

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 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.

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

Shareholders

The Company is the wholly owned subsidiary of another UK registered ExxonMobil entity and ultimately of Exxon Mobil Corporation as detailed in Note 31 - 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 UK 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 has intangible and tangible fixed assets that are amortised and depreciated as set out in the "accounting policies" section of these financial statements. The Company considers that there is nothing to indicate that those assets need to be impaired and that the related accounting policies continue to be appropriate.
- The Company has inventories, which are valued as set out in the "accounting policies" section of these financial statements. The Company considers that there is nothing to indicate that those inventories need to be revalued and that the related accounting policy, continues to be appropriate.
- The Company refines, distributes and markets petroleum products in the UK and as a result has both trade payables and receivables. The Company employs robust systems and procedures that regularly monitor its customers' creditworthiness and considers any potential exposure to be appropriately managed and adequately provided for.
- The Company also trades with other ExxonMobil affiliates and as a result has intercompany payables and receivables with those affiliates. The Company considers these to be low risk.
- The Company is an employer and operates a defined benefit pension scheme (the "Scheme") for certain employees. Following the 2018 actuarial valuation which resulted in a surplus, the Company and the Trustee agreed a normal employer contribution holiday in 2020. The Company and the Trustee also agreed to set an early date for the recommencement of employer contributions, should the Scheme Actuary advise before the end of 2020 that the funding position is no longer in surplus.
- As a result of the uncertainty created in global investment markets caused by the restrictions imposed by governments in response to Covid 19, the Company introduced additional controls to monitor the funding position more frequently. The Company considers that these controls continue to be appropriate to adequately monitor and manage the position.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

- The Actuary is preparing the 2019 actuarial valuation using assumptions determined by the Trustee and once these results are available, the Company and the Trustee will agree a new Schedule of Contributions for 2021.
- As at the date of the signing of these Financial Statements there is no indication that employer contributions need to be re-introduced.
- The Company anticipates that future revenues and cost of sales may vary, as a result of the travel and working restrictions imposed on its customers and suppliers.
- The Company has investments in entities whose business operations are based mainly in the United Kingdom and Indonesia 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 travel and working restrictions imposed on them locally, there is nothing to indicate that any of those investments should be impaired.
- The Company has a loan payable to an ExxonMobil affiliate with interest rates that vary with base interest rates. The Company considers that there is nothing to indicate that this liability needs to be revalued.
- The Company has capital commitments related to several long-term UK-based projects aimed at either improving, or expanding operations at its sites. Those projects involve its own workforce and those of various third party businesses engaged by the Company. The Company anticipates that there will be delays to, or deferrals of the expected completion dates of those commitments, as a result of the travel and working restrictions imposed on those workforces.
- Expenditure related to some of those projects has already been capitalised in the statement of financial position as tangible fixed assets under "assets under construction". The Company considers that there is nothing to indicate that any of this capitalised expenditure needs to be impaired and that the related accounting policy within "tangible fixed assets" continues to be appropriate.
- The Company is an employer and as of April 2020 all personnel that could perform their duties remotely, were home-based until further notice. Staffing of work that cannot be performed remotely and is essential to delivering the demands of the business at this time, or involves the maintenance of essential equipment, has been reduced to a level that is compatible with those goals.
- At the date of the signing of these Financial Statements none of the personnel directly employed by the Company, or seconded to the Company from other ExxonMobil affiliates have been furloughed, or made redundant as a result of the travel and working restrictions imposed on them or the Company.

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 and liquidity.

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.

Credit risk - The Company has implemented policies and procedures which require appropriate credit checks on potential customers before sales are made. The Company also has systems and processes to ensure the ongoing monitoring of customer creditworthiness and has in place procedures to enable it to respond where change in customer credit risk is detected.

FINANCIAL RISK MANAGEMENT (continued)

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.

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.

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:
Andrew Johnson
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A M Johnson
Director

Date: 5 November 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSO PETROLEUM COMPANY, LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Esso Petroleum Company, 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSO PETROLEUM COMPANY, 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.

N Comello

Nigel Comello (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 November 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £M	*2018 £M*
Turnover	3	7,468	*7,831*
Cost of sales		(7,097)	*(7,753)*
Gross profit		371	*78*
Distribution costs		(148)	*(141)*
Administrative expenses		(85)	*(59)*
Other operating income		4	*2*
Operating profit / (loss)	4	142	*(120)*
Income from fixed asset investments	8	3	*2*
Interest receivable and similar income	9	2	*1*
Interest payable and similar expenses	10	(1)	*(1)*
Other finance income	11	3	*5*
Profit / (Loss) before tax		149	*(113)*
Tax on profit / (loss)	12	(26)	*37*
Profit / (Loss) for the financial year		123	*(76)*
Other comprehensive income for the year			
Actuarial (losses) / gains on defined benefit pension scheme		(85)	*9*
Movement of deferred tax relating to pension deficit / (surplus)		19	*(1)*
Other comprehensive (expense) / income for the year		(66)	*8*
Total comprehensive income / (expense) for the year		57	*(68)*

ESSO PETROLEUM COMPANY, LIMITED
REGISTERED NUMBER: 26538

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £M		2018 £M
Fixed assets					
Intangible fixed assets	13		**4**		*22*
Tangible fixed assets	14		**812**		*666*
Fixed asset investments	15		**331**		*332*
			1,147		*1,020*
Current assets					
Inventories	16	**801**		*722*	
Debtors: Amounts falling due after more than one year	17	**20**		*20*	
Debtors: Amounts falling due within one year	17	**1,306**		*1,164*	
Pension asset	25	**238**		*337*	
		2,365		*2,243*	
Creditors: Amounts falling due within one year	18	**(1,341)**		*(1,320)*	
Net current assets			**1,024**		*923*
Total assets less current liabilities			**2,171**		*1,943*
Creditors: Amounts falling due after more than one year	19		**(100)**		*(100)*
Provisions for liabilities					
Deferred tax	22	**(12)**		*(47)*	
Other provisions	23	**(25)**		*(27)*	
			(37)		*(74)*
Pension liability	25		**(251)**		*(193)*
Net assets			**1,783**		*1,576*
Capital and reserves					
Called up share capital	27		**1,103**		*953*
Other reserves	28		**3**		*3*
Profit and loss account	28		**677**		*620*
			1,783		*1,576*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 November 2020.

DocuSigned by:
Andrew Johnson
BFD42E0E38354F3... ....

A M Johnson
Director

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

	Share capital	Other reserves	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2019	953	3	620	1,576
Comprehensive income for the financial year				
Profit for the financial year	-	-	123	123
Other comprehensive expense for the financial year	-	-	(66)	(66)
Contributions by and distributions to owners				
Shares issued during the financial year	150	-	-	150
At 31 December 2019	1,103	3	677	1,783

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

	Share capital	Other reserves	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2018	573	3	688	1,264
Comprehensive income for the financial year				
Loss for the financial year	-	-	(76)	(76)
Other comprehensive income for the financial year	-	-	8	8
Contributions by and distributions to owners				
Shares issued during the financial year	380	-	-	380
At 31 December 2018	953	3	620	1,576

The notes on pages 20 to 48 form part of these financial statements.

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.

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Revenue

The Company's activities consist solely of the processing and sale of crude oil, natural gas, petroleum products and related goods and services.

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 as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

In the course of normal business, the Company enters into contracts with third parties, including contracts giving rise to linked sales and cost of sales entries such as location swaps. These linked transactions are not reported separately in Turnover and Cost of Sales, but are reported net.

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Intangible fixed assets

Intangible assets are initially recognised at cost. Under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Goodwill arising on acquisitions of businesses and recorded in the statement of financial position is amortised through the statement of comprehensive income. The Company amortises such purchased goodwill by equal instalments over the goodwill's expected useful life, which is typically between 10 and 20 years, being the directors' best estimate of the period over which the goodwill will be realised.

The estimated useful lives range as follows:

Software	-	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The cost of intangible assets represents software and allocated and purchased CO2 emission rights. The CO2 emission rights are not amortised during the year as they are surrendered following the completion of an independent audit of the actual emissions.

1.5 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Where an asset is constructed over time, costs are first charged to the statement of financial position as "Assets under construction". Once the asset is complete and has been commissioned, or a discreet smaller part of a larger asset has been completed and commissioned, all costs relating to the commissioned asset are immediately transferred to the appropriate asset class and depreciation of the asset begins.

Premiums paid on operating leases for land and buildings have been capitalised and included within land and buildings.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Buildings including retail sites	- 3.3% to 4.0% per annum
Long leasehold land	- 0.5% to 6.67% per annum
Plant and equipment	- 3.3% to 20.0% per annum
Assets under construction	- Not depreciated until brought into use

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

1.6 Operating leases: the Company as lessee

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

1.7 Research and development costs

Research and development expenditure is written off in the year in which it is incurred.

1.8 Valuation of investments

Investments held as fixed assets are shown at cost less provision for 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. ACCOUNTING POLICIES (CONTINUED)

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase, including taxes and duties, on a first in, first out basis. Work in progress and finished goods include labour and overheads directly attributable to bringing the inventory to its present location and condition.

The selling price is based on an estimate of the prevailing market conditions as at the date of the statement of financial position. Where the valuation of inventory is determined by reference to the selling price, an element of estimation uncertainty is introduced.

At each reporting date, inventories are assessed for impairment. If an item of inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

1.10 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.

1. ACCOUNTING POLICIES (CONTINUED)

1.11 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.

1.12 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.

1.13 Dividends

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

1.14 Pensions

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset / liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The Company recognises a surplus to the extent that it is able to recover the surplus through reduced contributions in the future.

Defined benefit pension obligations and net income statement costs are based on key assumptions, including discount rates, mortality and inflation. Changes in these assumptions, individually or collectively, may result in significant changes in the size of the net surplus / deficit.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

1. ACCOUNTING POLICIES (CONTINUED)

Defined benefit pension plan (continued)

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains and losses'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of comprehensive income as 'other finance costs'.

Pension costs and contributions are determined by the sponsoring company by which the past and present members are and were employed.

Multi-employer pension plan

The Company is a member of the Merchant Navy Officers Pension Fund ('MNOPF') and the Merchant Navy Ratings Pension Fund ('MNRPF'), both are multi-employer plans. It is not possible for the Company to obtain sufficient information to enable it to account for these plans as defined benefit plans and therefore accounts for them as defined contribution plans.

Pension costs and contributions are determined by the sponsoring company by which the past and present members are and were employed.

1.15 Interest income

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

1.16 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

1. ACCOUNTING POLICIES (CONTINUED)

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.18 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 0.35 % on overdraft positions and GBP LIBOR less 0.10 % on deposit positions.

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 key assumptions used in the valuation of the defined benefit pension scheme asset or (liability).

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

3. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2019 £M	*2018* *£M*
United Kingdom	4,460	*5,459*
Rest of Europe	2,240	*1,427*
Rest of the world	768	*945*
	7,468	*7,831*

4. OPERATING PROFIT/(LOSS)

The operating profit / (loss) is stated after charging / (crediting):

	2019 £M	*2018* *£M*
Depreciation of tangible fixed assets	45	*44*
Amortisation of intangible fixed assets, including goodwill	1	*2*
Research & development	13	*8*
Foreign exchange differences	(8)	*11*
Operating lease expense - plant and equipment	10	*7*
Defined benefit pension cost	73	*80*

All depreciation of tangible fixed assets and amortisation of intangible fixed assets is charged to cost of sales.

5. AUDITORS' REMUNERATION

	2019 £'000	*2018* *£'000*
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**192**	*150*
Fees payable to the Company's auditor in respect of:		
Audit related assurance services	**102**	*55*
All other services	**1**	*1*

	2019 £M	*2018* *£M*
Fees payable to the Company's auditor by the Company's associates in respect of:		
The auditing of the annual Financial Statements	**38**	*39*
Audit of the Pension Scheme	**3**	*3*
Audit related assurance services in relation to the Pension Scheme	**56**	*55*

6. PERSONNEL COSTS

Personnel costs were as follows:

	2019 £M	*2018* *£M*
Wages and salaries	**96**	*100*
Social security costs	**38**	*35*
Pension costs	**73**	*80*
	207	*215*

The average number of employees during the year was as follows:

	2019 No.	*2018* *No.*
Marketing, refining and transportation	**1,286**	*1,266*

The above numbers exclude the following employees seconded to other ExxonMobil affiliates. The Company does not bear the cost of these employees.

PERSONNEL COSTS (CONTINUED)

	2019 No.	*2018 No.*
Marketing, refining and transportation	154	*160*
Exploration and production	313	*320*
	467	*480*

The average headcount numbers above are determined on a quarterly basis. The directors are confident that these are not significantly different to numbers determined on a monthly basis.

7. DIRECTORS' REMUNERATION

Each of the directors is an employee, either of the Company, or of another ExxonMobil affiliate. Those individuals are paid for their functional roles, receiving no identifiable increment for the qualifying services they provide in their role as directors of the Company, or separately, as directors of any other ExxonMobil affiliate. The directors' remuneration is aggregated with other costs and recharged to other ExxonMobil affiliates that are supported by the directors' functional role. Therefore, the Company has made no disclosures with respect to the costs of the qualifying services provided by its directors, as these cannot be separately identified.

8. INCOME FROM FIXED ASSET INVESTMENTS

	2019 £M	*2018 £M*
Dividends received from unlisted investments	3	*2*

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £M	*2018 £M*
Interest receivable from group undertakings	2	*1*

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £M	*2018 £M*
Interest payable to group undertakings	1	*1*

11. OTHER FINANCE INCOME

	2019 £M	*2018 £M*
Net interest income on defined benefit pension scheme	3	*5*

12. TAXATION

	2019 £M	*2018 £M*
Corporation tax		
Current tax on profit/(loss) for the year	37	*(4)*
Adjustments in respect of prior periods	5	*(21)*
Total current tax	42	*(25)*
Deferred tax		
Origination and reversal of timing differences	(16)	*(12)*
Tax on profit / (loss)	26	*(37)*

FACTORS AFFECTING TAX CHARGE / (CREDIT) FOR THE YEAR

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

	2019 £M	*2018 £M*
Profit/(loss) before tax	149	*(113)*
Profit/(loss) multiplied by the average standard rate of corporation tax in the UK of 19% (2018 - 19%)	28	*(21)*
Effects of:		
Net (income) / expenses not deductible for tax purposes	(8)	*6*
Capital allowances for year in excess of depreciation	1	*(1)*
Adjustments in respect of prior periods	5	*(21)*
Total tax charge/(credit) for the year	26	*(37)*

12. TAXATION (CONTINUED)

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.

13. INTANGIBLE FIXED ASSETS

	Software £M	Other £M	Total £M
Cost			
At 1 January 2019	**43**	**18**	**61**
Additions	**1**	**-**	**1**
Disposals	**-**	**(18)**	**(18)**
At 31 December 2019	**44**	**-**	**44**
Accumulated amortisation			
At 1 January 2019	**39**	**-**	**39**
Charge for the year	**1**	**-**	**1**
At 31 December 2019	**40**	**-**	**40**
Net book value			
At 31 December 2019	**4**	**-**	**4**
At 31 December 2018	*4*	*18*	*22*

14. TANGIBLE FIXED ASSETS

	Retail sites £M	Other land and buildings £M	Plant and equipment £M	Assets under construction £M	Total £M
Cost or valuation					
At 1 January 2019	**100**	**114**	**1,707**	**90**	**2,011**
Additions	**-**	**-**	**-**	**192**	**192**
Disposals	**(1)**	**-**	**(6)**	**-**	**(7)**
Transfers between classes	**2**	**3**	**35**	**(40)**	**-**
At 31 December 2019	**101**	**117**	**1,736**	**242**	**2,196**
Accumulated depreciation					
At 1 January 2019	**33**	**58**	**1,254**	**-**	**1,345**
Charge for the year on owned assets	**3**	**2**	**40**	**-**	**45**
Disposals	**(1)**	**-**	**(5)**	**-**	**(6)**
At 31 December 2019	**35**	**60**	**1,289**	**-**	**1,384**
Net book value					
At 31 December 2019	**66**	**57**	**447**	**242**	**812**
At 31 December 2018	*67*	*56*	*453*	*90*	*666*

The net book value of land and buildings may be further analysed as follows:

	2019 £M	*2018 £M*
Freehold	**66**	*67*
Long leasehold	**57**	*56*
	123	*123*

15. FIXED ASSET INVESTMENTS

	Investments £M
Cost or valuation	
At 1 January 2019	**332**
Disposals	**(1)**
At 31 December 2019	**331**

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	Holding
ExxonMobil Pension Trust Limited	Ordinary	100%
ROC UK Limited	Ordinary	100%
PT Federal Karyatama	Common stock	100%

Other investments

The following were entities in which the Company had a minority interest:

Name	Class of shares	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 subsidiary undertakings are registered in England and Wales and have 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.

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.

16. INVENTORIES

	2019	*2018*
	£M	*£M*
Raw materials and consumables	**334**	*235*
Work in progress	**147**	*134*
Finished goods and goods for resale	**320**	*353*
	801	*722*

The replacement cost of all categories of inventories held by the Company at 31 December 2019 was £816M *(2018 - £730M)*.

17. DEBTORS

	2019	*2018*
	£M	*£M*
Due after more than one year		
Other debtors	**6**	*6*
Prepayments and accrued income	**14**	*14*
	20	*20*

	2019	*2018*
	£M	*£M*
Due within one year		
Trade debtors	**685**	*819*
Amounts owed by group undertakings	**528**	*240*
Other debtors	**41**	*51*
Prepayments and accrued income	**25**	*7*
Tax recoverable	**27**	*47*
	1,306	*1,164*

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 £385M as at 31 December 2019 is included in 'Amounts owed by group undertakings' (2018 - £135M).

All other balances are unsecured, interest free and have no fixed repayment date.

18. CREDITORS: Amounts falling due within one year

	2019 £M	*2018 £M*
Trade creditors	**61**	*61*
Amounts owed to group undertakings	**531**	*399*
Other taxation and social security	**560**	*624*
Other creditors	**5**	*7*
Accruals and deferred income	**184**	*229*
	1,341	*1,320*

19. CREDITORS: Amounts falling due after more than one year

	2019 £M	*2018 £M*
Amounts owed to group undertakings	**100**	*100*

Except for the loans detailed in note 20 all other amounts are unsecured, interest free and have no fixed repayment date.

20. LOANS

Analysis of the maturity of loans is given below:

	2019 £M	*2018 £M*
Amounts owed to group undertakings		
Repayable after 1 year	**100**	*100*

LOANS (CONTINUED)

Amounts repayable after one year include loans at the following interest rates:

Interest at a rate of 3 month GBP LIBOR +0.0625% (2018 - 3 month GBP LIBOR +0.0625%)	**100**	*100*

Included in the amounts falling due after one year is an amount of £100M with interest payable in quarterly instalments and principal which is repayable on or before 31 December 2033 and carries variable interest at LIBOR +0.0625%.

21. FINANCIAL INSTRUMENTS

	2019 £M	*2018 £M*
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**1,266**	*1,115*
Financial liabilities		
Financial liabilities measured at amortised cost	**880**	*795*

22. DEFERRED TAXATION

	2019 £M
At 1 January	**47**
Credited to the profit or loss	**(35)**
At 31 December	**12**

22. DEFERRED TAXATION (CONTINUED)

The provision for deferred taxation is made up as follows:

	2019 £M	*2018 £M*
Accelerated capital allowances	25	*31*
Pension (deficit)/surplus	(13)	*16*
	12	*47*

Estimated deferred tax due to be released within one year amounts to £1M.

23. PROVISIONS

	Other £M
At 1 January 2019	27
Charged to profit or loss	1
Utilised in year	(3)
AT 31 DECEMBER 2019	25

Other provisions consist of an environmental remediation reserve for two terminals, which it is anticipated will be utilised within the next two to five years.

24. CAPITAL COMMITMENTS

At 31 December 2019 the Company had capital commitments as follows:

	2019 £M	*2018 £M*
Not later than 1 year	277	*10*
Later than 1 year and not later than 5 years	59	*14*
Later than 5 years	12	-
	348	*24*

Capital commitments will be funded with a combination of future operating income and share issues to the parent of the Company.

25. PENSION COMMITMENTS

The Company operates a defined benefit pension scheme, (the "Scheme").

The Company is the principal employer of a defined benefit pension scheme providing final salary benefits. The Scheme is open to new members. The Scheme is subject to the statutory funding objective and so must aim to have sufficient and appropriate assets to cover the Scheme's liabilities on the funding basis which is agreed between the member companies and the Trustee of the Scheme.

As at the date of the most recently completed actuarial valuation (31 December 2018) the statutory funding objective was met. However, if the statutory funding objective is not met, the shortfall revealed between the Scheme's assets and liabilities must be repaired through the payment of deficiency contributions. As the Scheme is a 'cross border' arrangement, these deficiency contributions must be paid within the period of 2 years following the valuation date.

In recognition of the past service surplus, the Trustee and the Member Companies agreed that the Member Companies will make no contributions over the calendar year 2019.

	2019 **£M**	*2018* *£M*
Reconciliation of present value of Scheme liabilities:		
At the beginning of the year	**4,902**	*5,102*
Current service cost	**73**	*80*
Interest cost	**138**	*129*
Actuarial losses / (gains)	**777**	*(227)*
Past service cost	**5**	-
Benefits paid	**(207)**	*(209)*
Scheme introductions, settlements & curtailments	**-**	*26*
Foreign exchange effects on revaluation	**(7)**	*1*
At the end of the year	**5,681**	*4,902*

25. PENSION COMMITMENTS (CONTINUED)

	2019 £M	*2018 £M*
Reconciliation of present value of Scheme assets:		
At the beginning of the year	**5,046**	*5,332*
Interest income	**141**	*134*
Actuarial gains / (losses)	**692**	*(218)*
Contributions	**8**	*8*
Benefits paid	**(207)**	*(209)*
Administration costs paid	**(3)**	*(3)*
Foreign exchange effects on revaluation	**(10)**	*2*
At the end of the year	**5,667**	*5,046*

	2019 £M	*2018 £M*
Composition of Scheme assets:		
Equity securities	**1,706**	*1,455*
Debt securities	**3,952**	*3,580*
Other	**9**	*11*
Total scheme assets	**5,667**	*5,046*

	2019 £M	*2018 £M*
Fair value of Scheme assets	**5,667**	*5,046*
Present value of Scheme liabilities	**(5,681)**	*(4,902)*
Net pension Scheme (liability) / asset	**(14)**	*144*

25. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in statement of comprehensive income are as follows:

	2019 £M	*2018 £M*
Current service cost	**(73)**	*(80)*
Interest on obligation	**(138)**	*(129)*
Interest income on Scheme assets	**141**	*134*
Past service costs	**(5)**	*-*
Scheme introductions, changes, curtailments and settlements	**-**	*(26)*
Administration costs paid	**(3)**	*(3)*
Foreign exchange effects on revaluation	**(3)**	*1*
Total	**(81)**	*(103)*

Scheme introductions, changes, curtailments and settlements relate to the accrual for GMP equalisation, following the Lloyds court case ruling in October 2018.

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income was £1,149M *(2018 - £1,064M).*

The Company expects to contribute £5M to its Defined Benefit Scheme in 2020, mainly in respect of employee 'salary sacrifices'.

Following the 2018 actuarial valuation which resulted in an increase to the surplus, the Company and the Trustee have agreed a normal employer contribution holiday during 2020. However the funding position is monitored on a regular basis to assess whether to re-introduce employer contributions.

	2019 £M	*2018 £M*
Analysis of actuarial loss recognised in other comprehensive income		
Actual return less interest income included in net interest income	**692**	*(218)*
Experience gains and losses arising on the Scheme liabilities	**6**	*(19)*
Changes in assumptions underlying the present value of the Scheme liabilities	**(783)**	*246*
Total	**(85)**	*9*

25. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2019 **%**	*2018* *%*
Discount rate	**2.00 %**	*2.90 %*
Expected return on scheme assets	**2.00 %**	*2.90 %*
Price Inflation (RPI)	**3.00 %**	*3.10 %*
Price Inflation (CPI)	**2.15 %**	*2.10 %*
Future salary increases	**3.15 %**	*3.10 %*
Pension increases for in-payment benefits:		
- Pre - 1997 benefits	**2.10 %**	*2.20 %*
- 1997 - 2006 benefits	**3.00 %**	*3.10 %*
- Post April 06	**2.50 %**	*2.50 %*
Pension Increases for deferred benefits	**2.15 %**	*2.10 %*
Non contributory benefits	**2.15**	*2.10 %*
Mortality assumptions	**Years**	*Years*
- for a male aged 60 now	**27.3**	*27.4*
- at 60 for a male aged 50 now	**27.9**	*28.0*
- for a female aged 60 now	**29.2**	*29.2*
- at 60 for a female aged 50 now	**30.0**	*30.1*

PENSION COMMITMENTS (CONTINUED)

ExxonMobil Supplementary Plan

There is an additional ExxonMobil Supplementary Pension Plan (the "Plan"), which is an unfunded pension scheme.

Included in the Scheme valuation above is an amount of £251M *(2018 - £193M)* which relates to the Plan. This is analysed as follows:

Reconciliation of present value of Plan liabilities

	2019 £M	*2018 £M*
At the beginning of the year	193	*157*
Current service cost	3	*3*
Interest cost	6	*4*
Actuarial losses	53	*33*
Benefits paid	(4)	*(4)*
At the end of the year	251	*193*

Reconciliation of present value of Plan assets:

	2019 £M	*2018 £M*
At the beginning of the year	-	*-*
Contributions	4	*4*
Benefits paid	(4)	*(4)*
At the end of the year	-	*-*

The amounts recognised in the statement of financial position are as follows:

	2019 £M	*2018 £M*
Present value of Plan liabilities	251	*193*
Fair value of Plan assets	-	*-*
Net pension Plan liability	251	*193*

PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the statement of comprehensive income are as follows:

	2019 £M	*2018 £M*
Current service cost	(3)	*(3)*
Interest cost	(6)	*(4)*
Total	(9)	*(7)*

Analysis of actuarial (gains)/losses recognised in other comprehensive income

	2019 £M	*2018 £M*
Experience (gains) and losses on the Plan liabilities	(1)	*3*
Changes in assumptions underlying the present value of the Plan liabilities	54	*30*
	53	*33*

Merchant Navy Officers Pension Fund

The Company is a participating employer in the Merchant Navy Officers Pension Fund ("MNOPF"). Company contributions to this fund amounted to £NIL *(2018 - £6M)* during the year. In 2018 this consisted entirely of deficit contributions.

The actuarial valuation as at 31 March 2012 showed an aggregate fund deficit of £492M (2009 - £740M). Additional contributions as a result of this valuation were requested with effect from September 2013 that were due to be made until September 2023. Following discussions with the trustees of MNOPF, the Company agreed to settle its share of this deficit by paying a total of £6M in 2018 in full settlement of all amounts due in respect of these obligations.

The last valuation report for this fund was carried out by a qualified independent actuary as at 31 March 2018. No additional contributions were requested as a result.

The schedules provided by the fund's trustees to the Company detail only the amount for which it is seeking contribution, so the Company is unable to identify its share of the underlying assets and liabilities of the plan on a consistent and reliable basis and in accordance with paragraph 28.11A of FRS 102 is therefore treating the plan as a defined contribution plan.

All employers participating in the MNOPF are joint and severally liable for obligations of the fund.

PENSION COMMITMENTS (CONTINUED)

Merchant Navy Ratings Pension Fund

The Company is also a participating employer in the Merchant Navy Ratings Pension Fund ("MNRPF"). Company contributions amounted to £1M (2018 - £3M) during the year consisting entirely of deficit contributions.

The latest actuarial valuation as at 31 March 2017 showed an aggregate fund deficit of £89M. As a result of this valuation the Company's share of this deficit amounted to £4M, the first instalment of £3M was paid on 30 October 2018 with the remaining £1M paid on 30 October 2019.

The schedules provided by the fund's trustees to the Company detail only the amount for which it is seeking contribution, so the Company is unable to identify its share of the underlying assets and liabilities of the plan on a consistent and reliable basis and in accordance with paragraph 28.11A of FRS 102 is therefore treating the plan as a defined contribution plan.

All employers participating in the MNRPF are jointly and severally liable for obligations of the fund.

26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 **£M**	*2018* *£M*
Not later than 1 year	**2**	*2*
Later than 1 year and not later than 5 years	**3**	*4*
Later than 5 years	**5**	*5*
	10	*11*

27. SHARE CAPITAL

Shares classified as equity

	2019 **£M**	*2018* *£M*
Allotted, called up and fully paid		
758,385,200 *(2018 - 608,385,200)* ordinary shares of £1 each	**758**	*608*
345,000,000 *(2018 - 345,000,000)* redeemable ordinary shares of £1 each	**345**	*345*
	1,103	*953*

During the year the Company issued a total of 150,000,000 £1 ordinary shares at par to ExxonMobil UK Limited its immediate parent, for cash.

27. SHARE CAPITAL (CONTINUED)

The 345,000,000 redeemable ordinary shares have a nominal value of £1 per share and a share premium of NIL *(2018 - NIL)*. Both the Company and the holders of such shares, have an option to redeem them on demand at any time by, giving three days notice, for the original consideration. The shares rank pari passu with the ordinary shares of the Company as regards to priority and amounts receivable on a winding up, the payment of dividends and voting rights. There has been no change or modification to the rights attached to the shares in the year.

28. RESERVES

Other reserves

Other reserves relate to amounts used to capitalise the Company other than by sale of stock.

Profit and loss account

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

29. RELATED PARTY TRANSACTIONS

During the financial year, the Company entered into sales and purchasing transactions with other related parties.

The related parties, as defined by FRS 102 section 33, the nature of the relationship and the extent of the transactions with them are summarised below.

The following table details balances from and to other related parties divided between trade and loan accounts at the statement of financial position date in accordance with the disclosure requirements of FRS 102 section 33. The related parties disclosed in the table below are affiliated entities, which are not wholly owned within the Exxon Mobil Corporation group. Balances and transactions between the Company and related parties, which are wholly owned within the Exxon Mobil Corporation are not disclosed.

	2019 **£M**	*2018* *£M*
Turnover	**18**	*16*
Cost of Sales	**15**	*16*
Debtors	**39**	*37*
Creditors	**36**	*35*

30. POST BALANCE SHEET EVENTS

The Company is actively managing its response to the UK 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 has intangible and tangible fixed assets that are amortised and depreciated as set out in the "accounting policies" section of these financial statements. The Company considers that there is nothing to indicate that those assets need to be impaired and that the related accounting policies continue to be appropriate.
- The Company has inventories, which are valued as set out in the "accounting policies" section of these financial statements. The Company considers that there is nothing to indicate that those inventories need to be revalued and that the related accounting policy, continues to be appropriate.
- The Company refines, distributes and markets petroleum products in the UK and as a result has both trade payables and receivables. The Company employs robust systems and procedures that regularly monitor its customers' creditworthiness and considers any potential exposure to be appropriately managed and adequately provided for.
- The Company also trades with other ExxonMobil affiliates and as a result has intercompany payables and receivables with those affiliates. The Company considers these to be low risk.
- The Company is an employer and operates a defined benefit pension scheme (the "Scheme") for certain employees. Following the 2018 actuarial valuation which resulted in a surplus, the Company and the Trustee agreed a normal employer contribution holiday in 2020. The Company and the Trustee also agreed to set an early date for the recommencement of employer contributions, should the Scheme Actuary advise before the end of 2020 that the funding position is no longer in surplus.
- As a result of the uncertainty created in global investment markets caused by the restrictions imposed by governments in response to Covid 19, the Company introduced additional controls to monitor the funding position more frequently. The Company considers that these controls continue to be appropriate to adequately monitor and manage the position.
- The Actuary is preparing the 2019 actuarial valuation using assumptions determined by the Trustee and once these results are available, the Company and the Trustee will agree a new Schedule of Contributions for 2021.
- As at the date of the signing of these Financial Statements there is no indication that employer contributions need to be re-introduced.
- The Company anticipates that future revenues and cost of sales may vary, as a result of the travel and working restrictions imposed on its customers and suppliers.
- The Company has investments in entities whose business operations are based mainly in the United Kingdom and Indonesia 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 travel and working restrictions imposed on them locally, there is nothing to indicate that any of those investments should be impaired.
- The Company has a loan payable to an ExxonMobil affiliate with interest rates that vary with base interest rates. The Company considers that there is nothing to indicate that this liability needs to be revalued.

30. POST BALANCE SHEET EVENTS (CONTINUED)

- The Company has capital commitments related to several long-term UK-based projects aimed at either improving, or expanding operations at its sites. Those projects involve its own workforce and those of various third party businesses engaged by the Company. The Company anticipates that there will be delays to, or deferrals of the expected completion dates of those commitments, as a result of the travel and working restrictions imposed on those workforces.
- Expenditure related to some of those projects has already been capitalised in the statement of financial position as tangible fixed assets under "assets under construction". The Company considers that there is nothing to indicate that any of this capitalised expenditure needs to be impaired and that the related accounting policy within "tangible fixed assets" continues to be appropriate.
- The Company is an employer and as of April 2020 all personnel that could perform their duties remotely, were home-based until further notice. Staffing of work that cannot be performed remotely and is essential to delivering the demands of the business at this time, or involves the maintenance of essential equipment, has been reduced to a level that is compatible with those goals.
- At the date of the signing of these Financial Statements none of the personnel directly employed by the Company, or seconded to the Company from other ExxonMobil affiliates have been furloughed, or made redundant as a result of the travel and working restrictions imposed on them or the Company.

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

31. CONTROLLING PARTY

The immediate parent company is ExxonMobil UK Limited. 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 the 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.