
CHEVRON PRODUCTS UK LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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CHEVRON PRODUCTS UK LIMITED

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CHEVRON PRODUCTS UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

INTRODUCTION

The Directors present their strategic report on Chevron Products UK Limited ('CPUK', or 'the Company'), a Company registered in England & Wales, for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company's principal activities are the supply and optimisation of crude oil and finished products, liquefied petroleum and natural gas, the purchase and sale of carbon credits, the sale of finished lubricants, the marketing of marine lubricants and the provision of services to affiliated and other Chevron Group companies. The Company is the holding company of Chevron International Exploration and Production Company Limited, which provides consultancy and other management services to other Chevron upstream operations and affiliates. Chevron International Exploration and Production Company Limited is also engaged in exploration, production and sale of hydrocarbons from operations in the North Sea through its subsidiary Chevron Britain Limited.

BUSINESS REVIEW

The Company made a profit for the financial year of £82,032,000 (2022 - profit of £125,625,000). The lower profits in 2023 compared to 2022 are mainly attributable to lower natural gas prices and volumes of sales, and lower crude oil financial trading margins.

During 2022, in line with a principal decision taken in 2021 by the Directors, there was a significant expansion of physical commodity trading activities. The 2023 results reflect a full year's impact of this expansion, with higher volumes year-on-year primarily in crude and natural gas liquids.

The financial position of the Company as at 31 December 2023 is largely consistent with the prior year. The Company continues to hold large investments in Chevron subsidiaries and the primary amounts held on the Balance Sheet are the short term debtors and creditors to support the trading activities. The net assets of the Company at year-end were £866,233,000 (2022 - £862,385,000).

The Directors approved and paid a dividend of £78.7million (\$100million) to its shareholder, Chevron Energy Limited in November 2023. No dividends were paid in the prior year.

During 2023, the Directors took the strategic decision to expand physical and financial natural gas trading in select markets in Europe. The Company has signed a long-term contract to supply LNG into Europe with delivery scheduled to commence in 2026.

CHEVRON PRODUCTS UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

BUSINESS REVIEW (continued)

Key performance indicators

The Company's Directors believe that the key performance indicators of the Company are safe operations and profit.

Safety is measured through use of loss prevention systems to monitor and improve safety performance. The Company reached its goal of safe operations throughout 2023 and incurred no material safety incidents. There were no material safety incidents in 2022.

Profitability is measured as profit for the financial year, refer to the Business Review above. The business considers the contribution towards return on capital employed (ROCE) generated in the period. The profitability is also considered against internal business plan targets and forecasts for the year.

FUTURE DEVELOPMENTS

The future developments in the business are noted in the Business review above, and also refer to the principal decisions under Section 172 (1) statements. There are no other planned changes to the current principal activities of the Company, and it is the intention of the Directors that the Company will continue these activities for the foreseeable future.

CHEVRON PRODUCTS UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risk and uncertainty affecting the management of the business and the execution of the Company strategy is the movement of commodity prices. Increased physical trading activity has resulted in greater performance risk and credit risk from counterparties. Management mitigates these risks using derivative swaps, futures and forward physical contracts.

Financial risk management

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

Price risk

The Company engages in commodity derivative instrument activity with the intention of managing the price risk posed by physical transactions. The instruments used are derivatives swaps, futures and physical forward contracts.

Credit risk

The Company has implemented policies that require appropriate credit checks on customers before sales are made. The overall level of indebtedness is monitored closely by the Company's credit group.

Liquidity and cash flow risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by placing surplus funds on deposit. Chevron Corporation regularly reviews the financing structure for all its group companies. Following such a review, loans may be repaid prior to maturity date, extended beyond maturity date or replaced by alternative funding arrangements.

Interest rate risk

The Company can have both interest-bearing assets and liabilities which are generally held at floating rates. These are monitored on a daily basis by a treasury management group and an appropriate structure of investments and borrowings maintained. The Company does not hedge interest rate risks. The Company incurs interest rate risk on interest-bearing receivables (in particular those included in the receivables cash pool position) and on interest-bearing current liabilities (payables cash pool position).

Foreign exchange risk

The Company has assets and liabilities denominated in foreign currencies. The Company does not use derivative financial instruments to manage the risk of fluctuating exchange rates and as such no hedge accounting is applied. Refer to Note 5 for the foreign exchange impact on financials.

Other operational and compliance risks

The Company's operations have other operational and compliance risks that require continuous oversight and monitoring. The Company has implemented and maintains a system of corporate policies, processes and systems, behaviours and compliance mechanisms to mitigate and manage these risks.

Operational risk

The trading industry is exposed to various operational risks, including mechanical failures, accidents, and environmental incidents. These risks can lead to increased costs and potential legal liabilities.

Regulatory changes

The Company is subject to regulatory changes that can affect its operations. Changes in international and domestic trading regulations can impact operational processes.

CHEVRON PRODUCTS UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Russia / Ukraine conflict

Due to the Russia and Ukraine conflict, governments (including Russia) have imposed and may impose additional sanctions and other trade laws, restrictions and regulations that could lead to disruption to trade and product flows in the region around Russia and could have an adverse effect on the Company's financial position. The financial impacts of such risks, including presently imposed sanctions, are not currently material for the Company; however, it remains uncertain how long these conditions may last or how severe they may become.

SECTION 172 (1) STATEMENT

The Companies (Miscellaneous Reporting) Regulations 2018 (2018 MRR) require the Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) of the Companies Act 2006 ("S172") when performing their duties to promote the success of the Company under S172. This section of the strategic report comprises Section 172(1) statement and statement on engagement with suppliers, customers, and others.

As a wholly owned subsidiary of the Chevron Corporation, the Directors ensure that decisions are beneficial to all of the Company's stakeholders as well as having regard to the long-term sustainable success of the Chevron Group as a whole. The strategic aims of the Company are derived from those of the Chevron Group, which can be found in the Chevron Corporation 2023 Annual Report at <https://www.chevron.com/annual-report>.

The Chevron Group internally organises its activities principally along business and functional lines and transacts its business through legal entities. This organisation structure is designed to achieve Chevron's overall business objectives while respecting the separate legal entity of the individual Chevron companies through which it is implemented and the independence of each Board of Directors.

The Board of Directors of the Company hold positions across key functions of the Company or are in positions that support those functions of the Company. When appointed to the Board, each Director is briefed on their role and responsibilities by the Company Secretary and is provided with training and support to help them fulfil their responsibilities.

The Company's ultimate parent, Chevron Corporation, has developed and implemented a number of policies and principles which the Company has reviewed and adopted. "The Chevron Way" details the guiding principles and these principles include diversity and inclusion, high performance, integrity and trust, protecting people and the environment and partnership. Our Business Conduct & Ethics Code (BCEC) is built on Chevron's core values and highlights the principles that guide our business conduct and how our policies are designed to support full compliance with applicable laws. Chevron's BCEC is published at the Chevron website. <https://www.chevron.com/-/media/shared-media/documents/chevronbusinessconductethicscode.pdf>.

Prior to Company matters being brought to the Board of Directors for consideration, significant levels of internal engagements are undertaken with the broader business. Dependent on the project or activity, Board members or representatives of the Company may have participated in this engagement through their relevant business area, and this therefore helps inform the relevant board decisions.

Principal decisions

During 2023, the principal decisions that the Directors made of a strategic nature and significant as per the S172 factors were:

- expansion of physical and financial natural gas trading in select markets in Europe;
- approval of application of an International Sustainability and Carbon Certification to advance biofuels integration;
- approval of a dividend payment of £78.7million (\$100million) to its shareholder, Chevron Energy Limited in November 2023; and
- the Company has signed a long-term contract to supply LNG into Europe with delivery scheduled to commence in 2026.

CHEVRON PRODUCTS UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

SECTION 172 (1) STATEMENT (continued)

Employees

The Company does not have any employees. Details of workforce engagement can be found in the financial statements of Chevron Energy Limited.

Business Relationships

The Company has business relationships with external customers and suppliers in addition to wholly owned subsidiaries and affiliates of Chevron Corporation. Throughout 2023, the Directors have had regard for maintaining a reputation for high standards of business conduct with its customers and suppliers as set out below:

Customers:

The Company's success depends not only on meeting its customers' expectations today but anticipating them tomorrow, thereby enabling human progress. The Company trades in oil and gas commodities which are delivered through pipeline or ship. It also markets finished products directly to customers. Throughout these activities, the provision of a high standard of customer service is essential for our vital industry.

The Company consistently aims to exceed customer expectations through its network of sales and marketing, and commodity trading colleagues. They represent the Company and its brands with professionalism every day, in line with The Chevron Way.

Suppliers:

The values inherent in The Chevron Way, which describe how the Company conducts its business in a socially and environmentally responsible manner, apply to all stakeholder groups with whom it works. This applies equally when working with suppliers which are selected to be a part of the company's value chain, and who contribute to its offering and value proposition. This is done through a structured procurement organisation which engages with suppliers at all levels, to ensure that the company's vision, values and strategies can be effectively executed safely, legally and reliably.

CHEVRON PRODUCTS UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

SECTION 172 (1) STATEMENT (continued)

Community and Environment

The Company places the highest priority on the health and safety of the workforce and protection of assets, communities, and the environment. The Operational Excellence Management System (OEMS) defines the expectations regarding the systematic management of workforce safety and health, process safety, reliability and integrity, environment, efficiency, security and stakeholders to achieve high performance in operational excellence. Protecting people and the environment is a key value. The Company expects compliance with the letter and the spirit of applicable environmental, health and safety laws, regulations and policies. Within each of the functional areas management are responsible for monitoring performance related to health, safety and the environment.

Charitable fundraising is assisted through Chevron's UK Charity fund. Individual employees, and the four employee networks which operate in the UK, can apply to the fund for donations to augment their own fundraising. During 2023, 25 charities across the UK benefited from donations from the Chevron UK Charity fund.

The Company is also a signatory of the Armed Forces Covenant. Through adoption of the covenant and participation in the Ministry of Defence Employer Recognition Scheme, the Company demonstrates its support to the armed forces community and has been awarded silver and bronze awards. The Company endorses the value which serving personnel, reservists, veterans, and military families bring to roles in businesses across the UK.

This report was approved by the board on 27 September 2024 and signed on its behalf.

Nabid Ali

N. Ali
Director

CHEVRON PRODUCTS UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors present their report and the audited financial statements for the year ended 31 December 2023.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £82,032,000 (2022 – profit of £125,625,000).

This has resulted in an overall increase of £3,292,000 (2022: increase of £125,625,000) in profit and loss account during the year. Net assets of the Company at the year-end were £866,233,000 (2022 - £862,385,000). The Directors recommended that dividends of £78,740,000 (2022: £Nil) were paid during the year ended 31 December 2023.

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements were:

G. G. Cole
P. A. McCloud
N. Ali
J. E. Allison

None of the Directors, at any point during the year, had a material interest in any contract which was significant to the Company's business, other than their own contract of service.

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.

SUPPLIER PAYMENT POLICY

Trade creditors are settled on a monthly basis. It is the Company's policy in respect of all other suppliers to agree payment terms in advance of the supply of goods and to adhere to those payment terms.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company maintains liability insurance for its Directors and Officers. The Company also provides an indemnity for its directors, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force throughout the last financial year and at the date of the approval of the financial statements.

DONATIONS

Charitable donations made during the year were £10,000 (2022: £20,600).

FUTURE DEVELOPMENTS

Future developments are included in the Strategic Report on page 2.

CHEVRON PRODUCTS UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The below statement contains the Company's annual energy consumption, associated relevant greenhouse gas emissions and additional relevant information, as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, for the year ended 31 December 2023.

The methodology applied to the calculation of Greenhouse Gas emissions is the 'GHG Protocol Corporate Accounting and Reporting Standard'. The Company has used the financial control approach for setting the boundary for GHG reporting and set a fixed base year of 2022.

In preparing this report the Company has followed the March 2019 Environmental Reporting Guidelines and used the 2023 UK Government's Conversion Factors for GHG emissions for energy usage purchased at Company offices in the year and for business travel mileage.

Energy and GHG Emissions summary	2023	2022	
Total UK Energy use (Scope 2 and 3)	861,806	770,106	kWh
Scope 1: Direct GHG emissions	0	0	MT CO ₂ e
Scope 2: Associated underlying GHG emissions - Energy use	172.374	144.701	MT CO ₂ e
Scope 3: Associated underlying GHG emissions - Business travel	6.608	4.870	MT CO ₂ e
Carbon Intensity ratio (Scope 2 and Scope 3)	0.610	0.549	MT CO ₂ e/FTE

There were no Scope 1 (Direct) GHG emissions in 2023 as there were no activities owned or controlled by the Company that release emissions into the atmosphere.

Reported Scope 2 (Energy Indirect) emissions for electricity usage increased compared with prior year. This was because of a higher 'electricity generated' GHG conversion factor attributable for 2023 and an increased year on year usage due to an increase in the number of staff providing services to the Company.

Scope 3 (Other Indirect) emissions – year-on-year increase in business travel was due to an increase in number of staff providing services to the Company due to expansion of business activities.

The Company has chosen the emissions intensity metric CO₂e /FTE as this will enable comparison of energy efficiency performance over time and with other similar types of organisations.

In August 2023 the Company introduced a 'cycle to work' scheme to encourage lower car usage by offering cost effective ways for the staff providing services to the Company to purchase new cycling equipment for their office commutes.

CHEVRON PRODUCTS UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual 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 prepared the financial statements 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).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

CHEVRON PRODUCTS UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

POST BALANCE SHEET EVENTS

Chevron UK Trading Limited, a previously dormant subsidiary of the Company, was activated in May 2024 after its name changed from Chevron Limited to Chevron UK Trading Limited and one share of £1 each has been transferred from the Company to Chevron Global Energy Inc.

In May 2024, as part of a strategic review, the company's subsidiary, Chevron International Exploration and Production Limited, announced its intention to initiate the process of marketing its non-operated working interest in the Clair Field and associated assets in the UK North Sea. The process is not expected to have any impact on the principal activities of the Company.

INDEPENDENT AUDITORS

The auditors, PwC, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 September 2024 and signed on its behalf.

Nalid Ali

N. Ali
Director

Independent auditors' report to the members of Chevron Products UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Chevron Products UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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, including 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 balance sheet as at 31 December 2023; 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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 Statement of Directors' responsibilities in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the regulations governing the supply and optimisation of commodities in the UK, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- gaining an understanding of the legal and regulatory framework applicable to the company;
- enquiry of management, those charged with governance and those responsible for legal and compliance matters, including the company's in-house legal function, to identify actual and potential litigation and claims and any known or suspected instances of non-compliance with laws and regulations and fraud;
- enquiry of staff in the company's tax function to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and testing accounting estimates to address the risk of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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 obtained 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.

Kevin McGhee

Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 September 2024

CHEVRON PRODUCTS UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
Revenue	4	15,503,077	16,687,076
Cost of sales		(15,044,546)	(16,310,374)
Gross profit		458,531	376,702
Distribution costs		(317,707)	(174,122)
Administrative expenses		(41,562)	(39,039)
Other operating income /(losses)		35,819	(10,520)
Operating profit	5	135,081	153,021
Interest receivable and similar income	7	12,448	2,171
Interest payable and similar expenses	8	(35,179)	(2,947)
Profit before tax		112,350	152,245
Tax on profit	10	(30,318)	(26,620)
Profit for the financial year		82,032	125,625

The notes on pages 18 to 37 form part of these financial statements.

CHEVRON PRODUCTS UK LIMITED
REGISTERED NUMBER: 03600726

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets		11,402	10,399
Investments	12	754,049	745,813
		<u>765,451</u>	<u>756,212</u>
Current assets			
Stocks	13	131,321	107,440
Debtors: amounts falling due after more than one year	14	-	225
Debtors: amounts falling due within one year	14	1,420,672	1,410,967
Cash at bank and in hand	15	1,060	407
		<u>1,553,053</u>	<u>1,519,039</u>
Creditors: amounts falling due within one year	16	(1,438,353)	(1,407,636)
		<u>114,700</u>	<u>111,403</u>
Net current assets			
		<u>880,151</u>	<u>867,615</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year		(13,918)	(5,230)
		<u>866,233</u>	<u>862,385</u>
Net assets			
Capital and reserves			
Called up share capital	20	20,000	20,000
Share premium account		706,505	706,505
Equity reserve		11,447	10,891
Profit and loss account		128,281	124,989
		<u>866,233</u>	<u>862,385</u>
Total Equity			

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2024.

Nabid Ali

N. Ali
 Director

The notes on pages 18 to 37 form part of these financial statements.

CHEVRON PRODUCTS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital	Share premium account	Equity Reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2023	20,000	706,505	10,891	124,989	862,385
Comprehensive income for the year					
Profit for the year	-	-	-	82,032	82,032
Charge from parent for equity-settled share-based payments	-	-	556	-	556
Total comprehensive income for the year	-	-	556	82,032	82,588
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(78,740)	(78,740)
Total transactions with owners	-	-	-	(78,740)	(78,740)
At 31 December 2023	20,000	706,505	11,447	128,281	866,233

	Called up share capital	Share premium account	Equity Reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	20,000	706,505	9,961	(636)	735,830
Comprehensive income for the year					
Profit for the year	-	-	-	125,625	125,625
Charge from parent for equity-settled share-based payments	-	-	930	-	930
Total comprehensive income for the year	-	-	930	125,625	126,555
At 31 December 2022	20,000	706,505	10,891	124,989	862,385

The notes on pages 18 to 37 form part of these financial statements.

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

The Company sells and supplies crude oil and finished products, liquefied petroleum and natural gas, the purchase and sale of carbon credits, the sale of finished lubricants, the marketing of marine lubricants and the provision of services to affiliated and other Chevron Group companies. It is also the holding company for Chevron International Exploration and Production Company Limited. The Company is a private company limited by shares and is incorporated and domiciled in the UK under the laws of England and Wales. The address of its registered office is 1 Westferry Circus, Canary Wharf, London, E14 4HA.

2. Accounting policies

A summary of the principal accounting policies is set out below, together with an explanation of where changes have been made to previous policies on adoption of new accounting standards in the year. The principal accounting policies are set out below and have been applied consistently throughout the year.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value, on a going concern basis, and in accordance with the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102').

The Company's ultimate parent undertaking, Chevron Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Chevron Corporation are available to the public and may be obtained from www.chevron.com.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes:
The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Chevron Corporation, includes the Company's cash flows in its own consolidated financial statements; and
- Key Management Personnel compensation.

As the consolidated financial statements of Chevron Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**b) Going concern**

The Directors have no concerns over the settlement of amounts with Chevron Netherlands Finance B.V. (CNFBV) cash pool or the liquidity of CNFBV. The Company is authorised to borrow from the CNFBV cash pool to cover any short-term financing needs as required, and any borrowings required could be provided by CNFBV on demand. The company has a strong balance sheet with current assets adequately exceeding its current liabilities.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in the preparation of the financial statements.

c) Consolidated financial statements

Consolidated financial statements of the Company, its subsidiary undertakings and its participatory undertakings have not been prepared. The Company is exempt from the requirement to prepare consolidated financial statements under the provisions of section 401 of the Companies Act 2006. The financial statements present information about the Company as an individual undertaking and not about its group.

d) Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for sales of marine lubricants, finished lubricants, the supply and optimisation of crude oil and finished products, liquefied petroleum and natural gas and the provision of services to affiliated and other Chevron Corporation Group companies. Revenue is recognised when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; and (d) it is probable that future economic benefits will flow to the entity. Revenue is recognised net of value added taxes and intra-company transactions. Physical sales are accounted for on a gross basis. Revenue includes net unrealised gain or loss positions on both physical and financial (paper) derivatives, and on realised financial derivatives where these are being used to hedge physical.

e) Income from shares in group undertakings

Income from shares in group undertakings relates to dividend income and is recognised when the right to receive payment is established.

f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceed.

g) Reserves*Equity reserve*

Equity reserve represents amounts relating charges from the parent company for share-based payments.

Share premium

Share premium includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

Profit and loss account represents accumulated comprehensive income, net of dividends paid.

h) Dividend distributions

Dividend distributions are included in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**i) Tangible assets**

All fixed assets are shown at their historical cost, less accumulated depreciation. 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 and borrowing costs capitalised.

Depreciation is provided using the straight-line method, with depreciation rates based upon estimated useful life applied to the cost of each class of fixed asset less estimated residual value.

Depreciation is provided as follows:

Leasehold improvements	4 to 16 years
Plant and other equipment	4 to 16 years

Depreciation is not provided on assets in the course of construction until they are brought into use.

All repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

j) Leases

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

k) Investments

Investments are stated at cost less provisions for impairment. The Company assesses at the end of each reporting period whether there is evidence of a triggering event for impairment. If there is, then an impairment review is performed. Such impairment reviews are performed in accordance with FRS 102. Impairments thus arising are recorded in the Statement of Comprehensive Income.

l) Stocks

Stocks are stated at the lower of historical cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of Comprehensive Income. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of Comprehensive Income.

m) Cash

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

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**n) Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in Other comprehensive income.

Current and deferred tax is measured on a non-discounted basis.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

o) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received..

p) Pension arrangements

The Company participates in the Chevron Energy Limited (CEL) Pension Plan. A portion of the pension contributions made to the plan is allocated to the Company in respect of those employees providing services to the Company. While the scheme is a defined benefit scheme providing benefits based on final pensionable pay, the assets and liabilities of the scheme cannot be split between each of the companies to which the costs of the scheme are allocated. As such, the scheme is being accounted for in the Company's financial statements as a defined contribution scheme. It is accounted for in CEL's financial statements as a defined benefit scheme. Further details of the scheme can be found in the financial statements of CEL. The annual cost of allocations paid to the scheme is charged to the Statement of Comprehensive Income.

q) Foreign currency***Functional and presentation currency***

The Company's functional and presentation currency is sterling.

Certain transactions of the Company are affected in currencies other than sterling. These transactions have been translated into sterling at the rate of exchange prevailing when the transactions took place. Monetary assets and liabilities expressed in other currencies have been translated into sterling at the rate of exchange ruling at the balance sheet date.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Statement of Comprehensive Income. Exchange gains or losses relating directly to loans are disclosed as part of interest receivable or interest payable; exchange gains or losses relating to other balance sheet line items are included in operating (expenses)/income.

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**r) Related parties**

Related party transactions with other entities during the year are disclosed in note 18.

s) Financial Instruments

Financial instruments are accounted for in accordance with sections 11 and 12 of FRS 102.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortized cost using the effective interest method.

At the end of each reporting period financial assets measured at amortized cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortized cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortized cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Derivatives

The main risks arising from the Company's financial instruments are market price risk. The ultimate parent company's board reviews and agrees policies for managing the associated risk.

Physical purchases and sales of commodities entered into for the Company's own purchase, sales or usage requirements meet the 'own use' exemption and are accounted for on an accrual basis. The Company engages in commodity derivative instrument activity with the intention of managing the price risk posed by physical transactions. These instruments are initially measured at their fair value (normally the transaction price) and subsequently are marked to market with the profit or loss arising recognised in the Statement of Comprehensive Income in Revenue.

CHEVRON PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

s) Financial Instruments (continued)

Derivatives (continued)

Unrealised derivatives include both physical and financial.

The Company has taken advantage of the exemption within FRS 102 available to qualifying entities from disclosures relating to financial instruments.

Financial assets and liabilities are offset, and the net amounts presented in the financial statements 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 to the liability simultaneously.

t) Share based payments

Eligible workforce of the Company participates in the CEL Share Incentive Plan (the plan). The plan enables the workforce to make monthly contributions out of salary up to prescribed limits. Each month the contributions are used by the trustees of the plan to acquire shares of common stock of Chevron Corporation on the open market (partnership shares). A matching contribution is made to the trustees on behalf of CEL to acquire a matching number of shares on a two-for-one basis. The Company is charged for the cost of the matching shares acquired, and, in accordance with FRS 102, the cost of the matched portion of the shares is charged to the Statement of Comprehensive Income over the three-year vesting period with offset to the equity reserve account as a reduction of the capital contribution.

3. Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Fair value of derivatives

Fair value measurements are estimates of the amounts for which assets or liabilities could be transferred at the measurement date, based on the assumption that such transfers take place between participants in principal markets. Derivatives are recorded at fair value on the Balance Sheet with resulting gains and losses reflected in the Statement of Comprehensive Income. Fair values are derived from published market quotes and other independent third-party quotes. See note 17.

4. Revenue

In the opinion of the Directors the disclosure of revenue, net assets and profits by geographical origin and destination would be seriously prejudicial to the interest of the Company and therefore has not been provided.

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Operating profit

	2023	2022
	£000	£000
Operating profit is stated after (charging) / crediting:		
Depreciation of owned fixed assets	(1,690)	(1,356)
Impairment of Investments in other related undertaking (OGCI)	(1,120)	(1,070)
Operating lease charges	(4,323)	(3,477)
Severance costs	(1,014)	(552)
Auditors' remuneration (audit services)	(433)	(426)
Net foreign exchange gain / (loss)	35,819	(10,520)

Auditors' remuneration for non-audit services in 2023 was £nil (2022: £nil).

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Employee Information

Staff costs were as follows:

	2023	2022
	£000	£000
Wages and salaries	51,774	40,032
Social security costs	4,120	4,041
Share based payments	1,199	1,223
Other pension costs	8,202	3,205
	65,295	48,501

The Company has an arrangement with Chevron Energy Limited who provide staffing to the Company. The Company also acts as payroll agent for CEL under a secondment agreement, and recharges secondees' employment costs to the other Chevron companies for which employees provide services.

The Company has taken advantage of the exemption available under FRS 102 'Retirement Benefits' to treat pension contributions made to the defined benefit scheme operated by CEL as if they were contributions to a defined contribution scheme where contributions to the scheme are charged to the profit or loss as they are paid by the Company to CEL. The Company has taken advantage of the exemption as it is not possible to accurately attribute the assets and liabilities of the scheme operated by CEL to the individual entities to which contributions to the scheme are allocated. The cost of the contributions to the defined benefit scheme for the year amounted to £8,202,000 (2022 £3,205,000). As at the balance sheet date there was a surplus of £360,800,000 (2022: £471,700,000) in this scheme.

Further detail of the scheme can be found in the financial statements of CEL. The assets of the scheme are held separately from those of the parent in a self-administered fund.

At the balance sheet date, the Company was a member of the CEL Share Incentive Plan. The plan is administered by Shareworks of 20 Bank Street, Canary Wharf, London, England E14 4AD. CEL will match every Chevron Corporation share bought by an employee with two matching shares (up to a certain limit). These matching shares, which are settled in cash, will be held in a UK registered trust on behalf of the employee and are not vested to the employee until 3 years of service have been completed from the date of acquisition.

During the year 6,262 (2022: 3,584) shares were granted to employees and the three-year weighted average share price was £102.72 (2022: £82.11).

The average monthly number of persons, including the Directors, who provide services to the Company during the year was as follows:

	2023	2022
	No.	No.
Sales, Trading Marketing and Administration	270	249

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Interest receivable and similar income

	2023	2022
	£000	£000
Interest receivable from other Chevron Corporation entities	10,645	1,118
Interest receivable - trade	1,803	1,053
	12,448	2,171
	12,448	2,171

8. Interest payable and similar expenses

	2023	2022
	£000	£000
Interest payable on loans from fellow group undertakings	6,512	2,297
Interest payable - trade	244	588
Currency exchange loss on foreign currency denominated loans	28,423	62
	35,179	2,947
	35,179	2,947

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. Directors' remuneration

The costs of CEL employees who provide services to the Company shown in note 6 include the following remuneration paid in respect of the Directors of the Company.

	2023	2022
	£'000	£'000
Aggregate emoluments	1,479	1,981
Aggregate pension contributions paid under defined benefit schemes	154	246
	2023	2022
	Number	Number
Directors who were members of defined benefit pension schemes	3	5
Directors exercising share options in Chevron Corporation	1	3
Directors entitled to receive shares or cash in Chevron Corporation under long-term incentive schemes	4	4
Highest paid director	2023	2022
	£'000	£'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	676	573

The highest paid director was entitled to share options at year end. The highest paid director exercised share options and is accruing benefits under a long-term incentive scheme in 2023 and 2022.

The accrued pension entitlement under a Chevron Corporation defined benefit scheme of the highest paid director at 31 December 2023 was £Nil (2022: £56,710) and accrued lump-sum entitlement at 31 December 2023 was £Nil (2022: £Nil).

Aggregate amount of compensation for loss of office to the outgoing Director in 2023 was £Nil (2022: £Nil).

Aggregate amount of excess retirement benefits to the outgoing Director in 2023 was £Nil (2022: £Nil).

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Tax on profit

	2023	2022
	£'000	£'000
Corporation tax		
UK Corporation tax on profit for the year	28,227	26,620
Prior period adjustments	2,091	-
Total current tax	30,318	26,620
Tax on profit	30,318	26,620

Factors affecting tax charge for the year

The current average rate of UK corporation tax of 23.5% (an average of 19% in Quarter1 of 2023 and 25% effective 1 April, 2023) has been used for tax calculations.

The tax assessed for the year is higher (2022: lower) than the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are explained below:

	2023	2022
	£'000	£'000
Profit before taxation	112,350	152,245
Profit before tax multiplied by average rate of corporation tax in the UK of 23.5% (2022: 19%)	26,403	28,927
Effects of:		
ESIP tax deductible adjustment	(64)	48
Capital allowances in excess of depreciation	-	(1,275)
Timing differences arising in the current year	576	(2,458)
Expense not deductible for tax purposes	118	205
Other timing differences	1,518	1,255
Other permanent differences	(324)	(82)
Prior period adjustments	2,091	-
Total tax charge for the year	30,318	26,620

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Tax on profit (continued)

The Company has not recognised net deferred tax assets of £21,883,000 (2022: net deferred tax assets of £23,624,000), primarily due to timing differences in the recognition of pension expenses. These have been calculated at a corporation tax rate of 25.0% (2022: 25.0%) and have not been recognised based on uncertainty over future taxable profits.

11. Dividends

	2023	2022
	£'000	£'000
Ordinary £1 shares:		
Dividend payment - Final paid per share £3.94 (2022: £Nil)	<u>78,740</u>	-

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Investments

	Fixed Asset Investments £000
Cost or valuation	
At 1 January 2023	745,813
Additions	8,236
At 31 December 2023	<u>754,049</u>

The movement on the net book value of fixed asset investments in the year was as follows:

	Subsidiary undertakings £'000	Other related undertakings £'000	Total £'000
Cost			
At 1 January 2023	717,378	28,435	745,813
Additions	-	9,356	9,356
Impairment	-	(1,120)	(1,120)
At 31st December 2023	717,378	36,671	754,049
Net book value			
At 31st December 2023	717,378	36,671	754,049
At 31st December 2022	717,378	28,435	745,813

Other related undertakings include the company's contribution in OGCI Climate Investments LLP, the investment vehicle of the Oil & Gas Climate Initiative. The Company is committed to an amount of \$100million over 10 years to fund OGCI as per the members agreement. The balance of the commitment as of 31 December 2023 is \$37.8million (2022: \$50.8 million). Impairment of OGCI investment during 2023 was £1.1 million (2022: £1.1 million).

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Investments (continued)
Subsidiary and other related undertakings

The following were subsidiary and other related undertakings:

Name	Registered office	Class of shares	Holding
1) Chevron International Exploration and Production Company Limited	1 Westferry Circus, Canary Wharf, London, E14 4HA, United Kingdom	Ordinary	100%
2) OGCI Climate Investments LLP (related Undertaking of Chevron Products Uk Limited)	50 Broadway, London, SW1H 0BL, United Kingdom	Ordinary	9.0%
3) Joint Inspection Group Limited (related Undertaking of Chevron Products Uk Limited)	9 Caxton House, Broad Street Great Cambourne, Cambrid CB23 6JN United Kingdom	Guarantee	12.5%
4) Chevron UK Trading Limited (formerly Chevron Limited)**	1 Westferry Circus, Canary Wharf, London, E14 4HA, United Kingdom	Ordinary	100%
Chevron Britain Limited ****	1 Westferry Circus, Canary Wharf, London, E14 4HA United Kingdom	Ordinary	100%
Chevron UK Finance Limited****	1 Westferry Circus, Canary Wharf, London, E14 4HA, United Kingdom	Ordinary	100%
Oil Spill Response Limited****	Lower William Street, Southampton, SO14 5QE, United Kingdom	Ordinary A	12.1%
Paloak Limited***	Johnstone House 52-54 Rose Street, Aberdeen, AB10 1HA, United Kingdom	Ordinary	3.5%

** Shares transferred to Chevron Global Energy Inc. in 2024

***Owned by Chevron International Exploration and Production Company Limited

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	131,321	107,440
	131,321	107,440

There is no significant difference between the estimated replacement cost of stocks and their balance sheet value. There are no provisions for impairment.

14. Debtors

	2023 £000	2022 £000
Due after more than one year		
Derivative instruments	-	225
	-	225
Due within one year		
Trade debtors	557,999	996,682
Amounts owed by group undertakings	716,268	339,313
Other debtors	108,687	17,369
Prepayments and accrued income	5,999	-
Tax recoverable	16,940	17,608
Derivative instruments	14,779	39,995
	1,420,672	1,410,967

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Debtors (continued)

Amounts owed by group undertakings include amounts owed under a cash pooling arrangement with CNFBV for £218,601,000 (2022: Nil) which are unsecured, interest bearing and are repayable on demand. Amounts owed by group undertakings also include £7,657,000 (2022: £12,790,000) related to derivative instruments. The remaining amounts owed by group undertakings are unsecured, non-interest bearing and are expected to be settled within the next 12 months. Other debtors include derivatives margin payments of £108,147,000 (2022: £15,767,000). There are no provisions for doubtful debts (2022: £nil) against amounts owed by group undertakings.

The amounts owed by related entities are unsecured and are as listed below (also see note 18):

	2023 £'000	2022 £'000
Angola LNG Marketing Limited	1,033	595
Kylysh Trading Partnership	507	118
Angola LNG Limited	-	181
Tengizchevroil LLP	774	606
Total	<u>2,314</u>	<u>1,500</u>

15. Cash at bank and in hand

	2023 £000	2022 £000
Cash at bank and in hand	1,060	407
	<u>1,060</u>	<u>407</u>

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	194,759	26,042
Amounts owed to group undertakings	1,070,601	997,763
Derivative instruments	78,662	5,638
Accruals and deferred income	94,331	378,193
	<u>1,438,353</u>	<u>1,407,636</u>

Amounts owed to group undertakings are expected to be settled within the next 12 months. Amounts owed to group undertaking include amounts owed under cash pooling arrangement with CNFBV of nil (2022: £182,563,000) which are unsecured, interest bearing and are repayable on demand. Amounts owed to group undertakings also include £10,801,000 (2022: £11,010,000) related to derivative instruments. The remaining amounts owed to group undertakings are unsecured, non-interest bearing and are expected to be settled within the next 12 months.

CHEVRON PRODUCTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Derivative financial instruments

Derivative financial instruments are accounted for in accordance with sections 11 and 12 of FRS 102, as described in note 2(s). In accordance with certain fair value disclosures required by The Companies Act, the fair value of instruments held by the Company at 31 December 2023 and the unrealised amounts included in the Statement of Comprehensive Income in 2023 were as follows:

	Fair value assets	Fair value liabilities	Unrealised loss
	£'000	£'000	£'000
Oil & natural gas price derivatives	22,436	(91,285)	(96,516)

The above liabilities include £1,822,000 (2022: £5,230,000) for creditors due after more than year

The fair value of instruments held by the Company at 31 December 2022 and the unrealised amounts included in the Statement of Comprehensive Income in 2022 were as follows:

	Fair value assets	Fair value liabilities	Unrealised gain
	£'000	£'000	£'000
Oil & natural gas price derivatives	53,010	(21,878)	17,388

Contracts are typically valued using price curves for each of the different products that are built up from active market pricing data.

The Company has a risk management policy consistent with the Chevron Corporation's risk management policy. The Company, in the normal course of the business, uses derivative commodity instruments, including swaps, futures, and forward contracts, for the purposes of managing exposure on physical transactions. Derivatives are recorded at fair value on the Balance Sheet with resulting gains and losses reflected in the Statement of Comprehensive Income. Fair values are derived from published market quotes and other independent third-party quotes.

Realised gains and losses relating to oil and natural gas price derivative contracts are included within revenue in the Statement of Comprehensive income. The total amount realised relating to these items was a net loss of £3,731,116 (2022: net gain of £37,258,089).

CHEVRON PRODUCTS UK LIMITED

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18. Related party transactions

During the year, the Company made certain recharges to non-consolidated affiliates of Chevron Corporation over which the Company exercises no control.

The Company operates an expatriate relocation management and expense reimbursement service through a third-party vendor. It operates a modified payroll to capture tax on expatriate employee benefits and expatriate travel expense claims through a different vendor.

Expenses incurred, and associated professional fees for the expatriate employees assigned to these non-consolidated Chevron Corporation affiliates, are recharged to those affiliates. The Company also provides tax services to Tengizchevroil LLP under service level agreement.

The amounts recharged are listed below. The amounts outstanding as at 31 December 2023 and 31 December 2022 are shown in note 14.

Recharges to related parties	2023	2022
	£'000	£'000
Angola LNG Marketing Limited	2,728	2,008
Angola LNG Limited	668	237
Kylysh Trading Partnership	901	642
OGCI Climate Investments	229	223
Sasol Chevron Nigeria Limited	-	9
Tengizchevroil LLP	1,752	6,768
Total	6,278	9,887

19. Operating lease commitments

The future minimum lease payments under non-cancellable operating leases extant at 31 December are as follows:

Operating lease payments due:	2023	2022
	£'000	£'000
Not later than one year	5,214	3,541
Later than one year and not later than five years	20,550	16,429
Later than five years	3,721	7,937
	29,485	27,907

The Company had no other off-balance sheet arrangements.

CHEVRON PRODUCTS UK LIMITED

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20. Called up share capital

	2023	2022
	£'000	£'000
Authorised		
20,000,000 ordinary shares of £1 each (2022: 20,000,000)	20,000	20,000
Allotted and fully paid		
20,000,000 ordinary shares of £1 each (2022: 20,000,000)	20,000	20,000

21. Controlling party

The Company's immediate parent undertaking, Chevron Energy Limited, is incorporated in England and its principal place of business is at 1 Westferry Circus, Canary Wharf, London E14 4HA. The ultimate parent undertaking is Chevron Corporation, incorporated in the State of Delaware, USA.

The largest and smallest Group in which the results of the Company are consolidated is that headed by Chevron Corporation, whose principal place of business is at 5001 Executive Parkway, Suite 200, San Ramon, CA 94583, USA. The consolidated financial statements of Chevron Corporation are available to the public and may be obtained from the above address.

22. Post balance sheet events

Chevron UK Trading Limited, a previously dormant subsidiary of the Company, was activated in May 2024 after its name changed from Chevron Limited to Chevron UK Trading Limited and one share of £1 each has been transferred from the Company to Chevron Global Energy Inc.

In May 2024, as part of a strategic review, the company's subsidiary, Chevron International Exploration and Production Limited, announced its intention to initiate the process of marketing its non-operated working interest in the Clair Field and associated assets in the UK North Sea. The process is not expected to have any impact on the principal activities of the Company.