Registered number: 26538

ESSO PETROLEUM COMPANY, LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

ESSO PETROLEUM COMPANY, LIMITED

COMPANY INFORMATION

DIRECTORS	N P Bone (appointed 1 April 2023) R Cavallo (resigned 1 April 2023) P A Greenwood S A Oldfield (appointed 1 April 2023) A M Johnson (resigned 1 April 2023)
COMPANY SECRETARY	K Mulligan (appointed 3 April 2023) F H Harness (resigned 3 April 2023)
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 2022

The directors present their report and the audited financial statements for Esso Petroleum Company, Limited (the "Company") for the year ended 31 December 2022.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £668M *(2021 - £115M)*.

No dividends were recommended by the directors or paid during the year *(2021 - £NIL)*.

FUTURE DEVELOPMENTS

The Company intends to continue with its current principal activity.

POST BALANCE SHEET EVENTS

In September 2023, the Company declared and paid a dividend of £500M to its immediate parent company, ExxonMobil UK Limited.

DIRECTORS

The directors who served during the year were:

R Cavallo (resigned 1 April 2023)
P A Greenwood
A M Johnson (resigned 1 April 2023)

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. The company spent £14M on research and development in 2022.

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.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has a cash deposit position and financing facility arrangements held with another ExxonMobil group undertaking which the directors believe will be sufficient to cover any reasonably possible net liability and cash outflow position arising in the normal course of business and in a severe but plausible downside scenario. Based on this, the directors are satisfied that the Company will be a going concern for a period of at least 12 months from the issuance of the financial statements.

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

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the-Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the Company satisfies the criteria that require it to report the total energy consumption and greenhouse gas ("GHG") emissions of its activities in the United Kingdom.

The Company's greenhouse gas emissions and energy consumption are as follows:

	2022	*2021*
	tCO2e	*tCO2e*
Annual emissions resulting from activities for which the Company is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent or "tCO2e").	**2,784,880**	*2,627,746*
Annual emissions resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport in tCO2e.	**22,150**	*34,258*
Total gross emissions in tCO2e	**2,807,030**	*2,662,004*

	kWh	*kWh*
Annual aggregate of 1) energy consumed from activities for which the Company is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and 2) the quantity of energy consumed resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport, in kWh.	**44,203,564**	*32,799,671*
The intensity ratio for the year measured in tCO2e per £M of turnover:	**205**	*425*

In deriving the above amounts the Company has adopted the operational control approach, utilising emission factors from the UK Government GHG Conversion Factors for Company Reporting 2022 and incorporating data compiled by the business for reporting under the Climate Change Agreements Scheme.

The Company has implemented no significant measures to increase energy efficiencies during the period.

The Company constantly seeks opportunities to increase its energy efficiency and improve performance that reduces its energy consumption and emissions, however during the year there were no individual initiatives that on their own materially reduced total energy consumption and emissions.

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 2022.

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 2022 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 2022, 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.

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 2022, 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 2022, 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 receive appropriate review. 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.

Stakeholder relationships and engagement (continued)

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 2022 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.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

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

DocuSigned by:

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S A Oldfield
Director

Date: December 22, 2023

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 2022 the Company recorded an operating profit of £946M *(2021 - £145M)*. Turnover was significantly higher due to the economic recovery after the Covid 19 pandemic, driving up both volumes and prices.

In November 2022, the Company's wholly owned subsidiary, PT Federal Karyatama, declared and paid a dividend of £6.3M to the Company. Management performed an assessment of the forward recoverable amount with the carrying value of its investment in PT Federal Karyatama and determined that an impairment of £107M be applied as detailed in Note 15.

In December 2022 the Company issued 180M £1 ordinary shares at par to its immediate parent company ExxonMobil UK Limited for cash consideration, to provide additional liquidity to fund future operations.

The Company has net assets of £3,174M *(2021 - £2,284M)*.

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.

Key operating performance indicators

	2022 (tCO2e)	2021 (tCO2e)	Change %
Total gross emissions	**2,807,030**	**2,662,004**	**5**

Key financial performance indicators

Management consider the following measures to be key in assessing the Company's financial performance.

During 2022 turnover increased by £7,420M with the economic recovery following the Covid19 pandemic. This was partially offset by the increase in cost of sales by £6,637M. Overall this increased gross profit to £1,105M. Total equity increased by £892M with current year comprehensive income of £710M plus the issuance of £180M ordinary shares to provide additional liquidity to fund future operations. Net current assets (current assets less current liabilities) for the year increased by 46% primarily with increased trade debtors and cash held on account with another group undertaking.

Key financial performance indicators (continued)

	2022 £M	2021 £M	Change %
Turnover	**13,688**	6,268	118
Cost of sales	**(12,583)**	(5,946)	112
Gross profit	**1,105**	322	243
Total equity	**3,175**	2,283	39
Net current assets	**2,222**	1,525	46

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

Section 172 of the UK Companies Act 2006 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; and
- 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.

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.

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

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.

During the year, the Corporation also published its Advancing Climate Solutions - 2022 Progress Report (formerly the Energy & Carbon Summary), which outlines ExxonMobil Corporation's commitment to driving emission reductions in support of a net-zero future.

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 programmes; 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.

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 the year the directors continued to promote inclusion and diversity across our whole workplace with various initiatives, partnering with various employee networks including a network for new employees (NEME); a women's interest network (WIN) and an LGBTQ+ employee resource group (PRIDE).

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

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. We hold forums with suppliers to provide information on our culture of safety, environmental and human rights practices. We also engage with our suppliers on various topics including operational integrity, safety and expectations for suppliers.

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 has adopted and oversees the administration of the Corporation’s Guiding Principles and Standards of Business Conduct.

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

Maintaining a reputation for high standards of business conduct (continued)

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

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

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

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

Shareholders

The Company is the wholly owned subsidiary of another 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 climate change risk and alternative energy, financial risks, health and safety, environmental and government and political risk. The Company's policies relating to financial risk management, climate change risk and alternative energy, health and safety, environment and government and political risk are set out in the paragraphs below.

FINANCIAL RISK MANAGEMENT

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

Price risk - The Company is exposed to fluctuations in oil, petrochemical and gas prices as a result of its operations. The Company generally prefers to follow market based prices so does not use derivative financial instruments to manage the risk of fluctuating prices and 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.

Liquidity risk - The Company actively manages its finances to ensure that it has sufficient available funds for its operations. 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.

FINANCIAL RISK MANAGEMENT (CONTINUED)

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

CLIMATE CHANGE RISK AND ALTERNATIVE ENERGY

Depending on how policies are formulated and applied, such policies could negatively affect our investment returns, make our hydrocarbon-based products more expensive or less competitive, lengthen project implementation times, and reduce demand for hydrocarbons, as well as shift hydrocarbon demand toward relatively lower-carbon alternatives. Current and pending greenhouse gas regulations or policies may also increase our compliance costs, such as for monitoring or sequestering emissions.

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, 22777 Springswoods Village Parkway Spring, TX 77389, USA. Alternatively, it can be viewed on www.exxonmobil.com.

GOVERNMENT AND POLITICAL RISK

The company's results can be adversely affected by political or regulatory developments affecting our operations. We remain exposed to changes in law or interpretation of settled law (including changes that result from international treaties and accords) and changes in policy that could adversely affect our results, such as:

- increases in taxes, duties, or government royalty rates (including retroactive claims);
- price controls;
- changes in environmental regulations or other laws that increase our cost of compliance or reduce or delay available business opportunities (including changes in laws affecting emissions)
- actions by policy-makers, regulators, or other actors to delay or deny necessary licenses and permits or otherwise require changes in the company's business or strategy that could result in reduced returns.
- adoption of regulations mandating efficiency standards, the use of alternative fuels or uncompetitive fuel components.

Other risks and uncertainties include, but are not limited to:

- Operational risk;
- Uncertainty and economic instability due to the ongoing conflicts in Ukraine and Israel/Palestine;
- The impact of global pandemics including the demand for and prices of products;
- Cyber-attacks targeting systems and infrastructure used by the petroleum industry.

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

DocuSigned by:

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S A Oldfield
Director

Date: December 22, 2023

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 2022 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 statement of financial position as at 31 December 2022; 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, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

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 2022 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, 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 environmental and health and safety regulations, 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 judgements and estimates. Audit procedures performed by the engagement team included:

- gaining an understanding of the legal and regulatory framework applicable to the company and considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud;
- enquiry of management and those charged with governance around actual and potential litigation and claims and 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, testing accounting judgements and estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

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
22 December 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

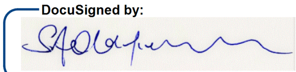
	Note	2022 £M	*2021 £M*
Turnover	3	**13,688**	*6,268*
Cost of sales		**(12,583)**	*(5,946)*
Gross profit		**1,105**	*322*
Distribution costs		**(76)**	*(77)*
Administrative expenses		**(87)**	*(112)*
Other operating income		**2**	*11*
Operating profit	4	**944**	*144*
Income from fixed assets investments	8	**10**	*3*
Impairment of fixed asset investments	15	**(107)**	*-*
Interest receivable and similar income	9	**12**	*-*
Interest payable and similar expenses	10	**(1)**	*(1)*
Other finance income	11	**6**	*4*
Profit before tax		**864**	*150*
Tax on profit	12	**(196)**	*(35)*
Profit for the financial year		**668**	*115*
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		**54**	*159*
Pension surplus not recognised		**2**	*10*
Movement of deferred tax relating to pension deficit		**(14)**	*(29)*
Other comprehensive income for the year		**42**	*140*
Total comprehensive income for the financial year		**710**	*255*

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £M		2021 £M
Fixed assets					
Intangible fixed assets	13		**6**		*6*
Tangible fixed assets	14		**1,154**		*976*
Fixed asset investments	15		**224**		*331*
			1,384		*1,313*
Current assets					
Inventories	16	**970**		*799*	
Debtors: Amounts falling due after more than one year	17	**15**		*20*	
Debtors: Amounts falling due within one year	17	**2,376**		*1,420*	
Pension asset	25	**545**		*675*	
		3,906		*2,914*	
Creditors: Amounts falling due within one year	18	**(1,684)**		*(1,389)*	
Net current assets			**2,222**		*1,525*
Total assets less current liabilities			**3,606**		*2,838*
Creditors: Amounts falling due after more than one year	19		**(102)**		*(102)*
Provisions for liabilities					
Deferred tax	22	**(112)**		*(93)*	
Other provisions	23	**(13)**		*(31)*	
			(125)		*(124)*
Pension liability	25		**(204)**		*(328)*
Net assets			**3,175**		*2,284*
Capital and reserves					
Called up share capital	27		**1,533**		*1,353*
Other reserves	28		**3**		*3*
Profit and loss account	28		**1,639**		*928*
Total equity			**3,175**		*2,284*

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

DocuSigned by:



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S A Oldfield
Director
Date: December 22, 2023

The notes on pages 21 to 48 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Other reserves	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2021	1,103	3	673	1,779
Comprehensive income for the year				
Profit for the year	-	-	115	115
Other comprehensive income for the year	-	-	140	140
Contributions by and distributions to owners				
Shares issued during the year	250	-	-	250
At 1 January 2022	1,353	3	928	2,284
Comprehensive income for the year				
Profit for the year	-	-	668	668
Other comprehensive income for the year	-	-	43	43
Contributions by and distributions to owners				
Shares issued during the year	180	-	-	180
At 31 December 2022	1,533	3	1,639	3,175

The notes on pages 21 to 48 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 General information

The principal activities of the Company are the refining, distribution and marketing of petroleum products in the United Kingdom. The Company is a private company limited by shares and incorporated in England and Wales. The address of the registered office is Ermyn House, Ermyn Way, Leatherhead.

1.2 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') 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.

Immaterial amendment to comparative financial information

As explained in Note 25, the company is a participating employer in two industry-wide multi- employer defined benefit pension schemes - the Marine Navy Officers Pension Fund (MNOPF) and Marine Navy Ratings Pension Fund (MNRPF). In the prior year, the company accounted for these schemes as defined contribution schemes as the company believed that it was not possible to accurately allocate the company's share of the assets and liabilities of the schemes. However, in the current year the company obtained the information to determine this allocation and appropriately accounted for the schemes as defined benefit schemes. Note 25 includes the relevant disclosures related to the schemes for both periods. Notwithstanding the fact that the impact for the year ended 31 December 2021 is wholly immaterial, the company has amended the comparative financial information included in these financial statements to reflect the change in accounting basis. This is not considered to be the correction of a material prior period error in accordance with FRS 102.

The impact of the change in 2021 is to reduce profit for the financial year by £1m, increase other comprehensive income by £1m; and on the balance sheet to increase the pension liability by £1m and decrease the deferred tax liability by £1m.

The following principal accounting policies have been applied consistently:

1.3 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has a cash deposit position and financing facility arrangements held with another ExxonMobil group undertaking which the directors believe will be sufficient to cover any reasonably possible net liability and cash outflow position arising in the normal course of business and in a severe but plausible downside scenario. Based on this, the directors are satisfied that the Company will be a going concern for a period of at least 12 months from the issuance of the financial statements.

1. ACCOUNTING POLICIES (CONTINUED)

1.4 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 2022 and these financial statements may be obtained from Exxon Mobil Corporation, Shareholder Relations, 22777 Springswoods Village Parkway Spring, TX 77389, USA.

1.5 Turnover

The Company's activities consist solely of the processing and sale of crude oil, petroleum products and related goods and services. Revenue is recognised when the product or service is delivered to the customer.

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.

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Turnover (continued)

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.

1.6 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.

The estimated useful lives range as follows:

Software	-	5 years
CO2 emission rights	-	1 year

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.

1.7 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)

1.7 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.

1.8 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.

1.9 Research and development costs

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

1.10 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Cost includes the original purchase price and any directly attributable costs.

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 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.

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. ACCOUNTING POLICIES (CONTINUED)

1.11 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.

1.12 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of 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 liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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)

1.13 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.

1.14 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.

1.15 Dividends

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

1.16 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)

Pensions (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.

The asset/liability recognised in the statement of financial position in the 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, out of which the obligations are to be settled.

The Company is not able to recognise the surplus to the extent that it is not entitled to any surplus under the Trust Deed and Rules. Therefore the surplus has been derecognised and taken through and charged or credited to other comprehensive income.

All other accounting policies follow the same as per the Defined benefit pension plan policies listed above.

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

This is the first year that the Multi-employer pension plans have been included in the full pension disclosure Note 25 as discussed in Note 1.2.

1.17 Interest income

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

1. ACCOUNTING POLICIES (CONTINUED)

1.18 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, 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.

1.20 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.

Following the cessation of LIBOR settings, from 1 January 2022 interest related to these cash positions is based on the All-in Fallback Rate for Overnight GBP LIBOR, comprised of the Sterling Overnight Index Average, “SONIA”, plus applicable spread adjustment (“GBP Fallback Rate”). Interest is charged at GBP Fallback Rate plus 0.95% on overdraft positions and GBP Fallback Rate plus 0.0005% on deposit positions. During 2021, prior to this change, interest was charged based on GBP LIBOR.

1.21 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 proceeds.

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:

- calculations in support of the carrying value of investments;
- should an impairment be indicated, the recoverable amount of investments in subsidiaries; and
- the key assumptions used in the valuation of the defined benefit pension scheme asset or (liability).

For investments in subsidiaries management performed an impairment assessment by comparing the recoverable amount with the carrying value of the investment held in PT Federal Karyatama. Key assumptions used:

- Free cash inflows and outflows over a forward 15 year period with gross margins based on company market plans and forecast industry growth, sufficient blending plant capacity to meet demand, investments in working capital follow incremental gross margin.

Results of the impairment assessment are detailed in Note 15.

3. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2022 £M	*2021 £M*
United Kingdom	**8,964**	*4,242*
Rest of Europe	**3,868**	*1,258*
Rest of the world	**856**	*768*
	13,688	*6,268*

4. OPERATING PROFIT

The operating profit is stated after charging.

	2022 £M	*2021 £M*
Depreciation of tangible fixed assets	**44**	*46*
Amortisation of intangible fixed assets	**2**	*2*
Research and development	**14**	*11*
Foreign exchange differences	**32**	*13*
Operating lease expense - plant and equipment	**17**	*17*
Defined benefit pension cost	**81**	*100*

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

5. AUDITORS' REMUNERATION

	2022 £k	*2021 £k*
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**269**	*218*

Fees payable to the Company's auditor in respect of:

Audit related assurance services	**50**	*54*
All other services	**-**	*17*

	2022 £k	*2021 £k*
Fees payable to the Company's auditor by the Company's associates in respect of:		
The auditing of the annual Financial Statements	**32**	*27*
Audit of the Pension Scheme	**4**	*3*
Audit related assurance services in relation to the Pension Scheme	**62**	*57*

6. PERSONNEL COSTS

Personnel costs were as follows:

	2022 £M	2021 £M
Wages and salaries	79	72
Social security costs	30	34
Pension costs	81	100
	190	206

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

	2022 No.	2021 No.
Marketing, refining and transportation	1,164	1,187

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

	2022 No	2021 No
Marketing, refining and transportation	29	162
Exploration and production	273	241
	302	403

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

	2022 £M	2021 £M
Dividends received from unlisted investments	**10**	*3*

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £M	2021 £M
Interest receivable from group undertakings	**12**	*-*

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £M	2021 £M
Interest payable to group undertakings	**1**	*1*

11. OTHER FINANCE INCOME

	2022 £M	2021 £M
Net interest income on defined benefit pension scheme	**6**	*4*

12. TAXATION

	2022 £M	*2021 £M*
Corporation tax		
Current tax on profit for the year	**189**	*36*
Adjustments in respect of prior periods	**3**	*(7)*
Total current tax	**192**	*29*
Deferred tax		
Origination and reversal of timing differences	**4**	*6*
Taxation on profit	**196**	*35*

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than *(2021 - higher than)* the average standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022 £M	*2021 £M*
Profit before tax	**864**	*151*
Profit multiplied by average standard rate of corporation tax in the UK of 19% (2021 - 19%)	**164**	*29*
Effects of:		
Non-tax deductible impairment loss	**20**	*-*
Net (income) not deductible for tax purposes	**9**	*(1)*
Capital allowances for year in excess of depreciation	**2**	*(5)*
Changes in tax rate leading to increase in the deferred tax charge	**-**	*19*
Adjustments in respect of prior periods	**3**	*(7)*
Non-taxable dividend income	**(2)**	*-*
Total tax charge for the year	**196**	*35*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Corporation Tax has been calculated at 19% of the taxable profits for the year *(2021 - 19%)*. Legislation was enacted on 10 June 2021 to increase the rate to 25% effective from 1 April 2023.

13. INTANGIBLE FIXED ASSETS

	Computer software £M	CO2 emission rights £M	Total £M
Cost			
At 1 January 2022	**49**	**1**	**50**
Transfers between classes	**2**	**151**	**153**
Disposals	**(1)**	**(151)**	**(152)**
At 31 December 2022	**50**	**1**	**51**
Accumulated Amortisation			
At 1 January 2022	**44**	**-**	**44**
Charge for the year	**1**	**-**	**1**
At 31 December 2022	**45**	**-**	**45**
Net book value			
At 31 December 2022	**5**	**1**	**6**
At 31 December 2021	*5*	*1*	*6*

Included in other assets is the cost of carbon credits, which is based on the Company's annual energy consumption. Carbon credits are purchased through the year and capitalised as assets under construction. At the end of the year, these are transferred to other intangible assets and the total cost of the carbon credits consumed in operations is recorded as disposals in cost of sales. Carbon credits purchased in excess of requirements are carried forward as assets to be utilised in future periods.

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 2022	**102**	**90**	**1,745**	**459**	**2,396**
Additions	**-**	**-**	**-**	**379**	**379**
Disposals	**-**	**-**	**(6)**	**(4)**	**(10)**
Transfers between classes	**2**	**4**	**26**	**(185)**	**(153)**
At 31 December 2022	**104**	**94**	**1,765**	**649**	**2,612**
Accumulated Depreciation					
At 1 January 2022	**39**	**47**	**1,334**	**-**	**1,420**
Charge for the year on owned assets	**2**	**2**	**40**	**-**	**44**
Disposals	**-**	**-**	**(6)**	**-**	**(6)**
At 31 December 2022	**41**	**49**	**1,368**	**-**	**1,458**
Net book value					
At 31 December 2022	**63**	**45**	**397**	**649**	**1,154**
At 31 December 2021	*63*	*43*	*411*	*459*	*976*

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

	2022 £M	*2021 £M*
Freehold	**63**	*63*
Long leasehold	**45**	*43*
	108	*106*

15. FIXED ASSET INVESTMENTS

	Investments £M
Cost or valuation	
At 1 January 2022	**331**
At 31 December 2022	**331**
Impairment	
Charge for the period	**107**
At 31 December 2022	**107**
Net book value	
At 31 December 2022	**224**
At 31 December 2021	*331*

Management performed an assessment by determining the recoverable amount using the discounted cash flow method and noted the recoverable amount to be lower than the carrying amount by £107M. The DCF model has been adopted to estimate the fair value of FKT’s common equity shares. Under the DCF method, FKT’s enterprise value is based on the free cash flows that it’s expected to generate in the future, discounted to the present value. After determining the present value of such free cash flows, the net debt value where applicable is adjusted to arrive at the equity value. The discount rate of 9% applied to the future cash flows is the Weighted Average Cost of Capital commensurate with FKT’s business risk and its financial leverage. The £107M impairment has been recognised through profit or loss in the line 'Impairment of fixed asset investments'.

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

15. FIXED ASSET INVESTMENTS (CONTINUED)

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%

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.

All of the Company's other direct and indirect 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.

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

	2022 £M	*2021 £M*
Raw materials and consumables	**332**	*264*
Work in progress	**200**	*194*
Finished goods and goods for resale	**438**	*341*
	970	*799*

The replacement cost of all categories of inventories held by the Company at 31 December 2022 was £1,014M *(2021 - £821M)*.

17. DEBTORS

	2022 £M	*2021 £M*
Amounts falling due after more than one year		
Other debtors	**1**	*1*
Prepayments and accrued income	**14**	*19*
	15	*20*

	2022 £M	*2021 £M*
Amounts falling due within one year		
Trade debtors	**1,006**	*683*
Amounts owed by group undertakings	**1,224**	*597*
Other debtors	**78**	*61*
Prepayments and accrued income	**14**	*7*
Tax recoverable	**54**	*72*
	2,376	*1,420*

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 £1,121M as at 31 December 2022 is included in 'Amounts owed by group undertakings' (2021 - £392M).

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

18. CREDITORS: Amounts falling due within one year

	2022 £M	*2021 £M*
Trade creditors	**89**	*32*
Amounts owed to group undertakings	**528**	*516*
Other taxation and social security	**724**	*651*
Other creditors	**13**	*6*
Accruals and deferred income	**330**	*184*
	1,684	*1,389*

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

	2022 £M	*2021 £M*
Amounts owed to group undertakings	**100**	*100*
Accruals and deferred income	**2**	*2*
	102	*102*

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

20. LOANS

	2022 £M	*2021 £M*
Amounts owed to group undertakings		
Repayable after 1 year	**100**	*100*

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

	2022 £M	*2021 £M*
Interest at a rate of 3 month GBP LIBOR Fallback +0.0625% (2021 - 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 31 December 2033 or earlier at borrower’s option and carries variable interest at LIBOR +0.0625%.

During the year, the Company agreed along with all other parties to the loan, to modify the basis on which interest was calculated. With effect from 1 January 2022 the three month GBP LIBOR rate will be replaced by the three-month “All-in Fallback Rate” for GBP LIBOR, comprised of the three-month compounded SONIA plus applicable spread adjustment.

21. FINANCIAL INSTRUMENTS

	2022 £M	*2021 £M*
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**2,312**	*1,344*
Financial liabilities		
Financial liabilities measured at amortised cost	**1,062**	*840*

22. DEFERRED TAXATION

	2022 £M
At 1 January	**94**
Charged to profit or loss	**5**
Charged to other comprehensive income	**13**
At 31 December	**112**

The provision for deferred taxation is made up as follows:

	2022 £M	*2021 £M*
Accelerated capital allowances	**46**	*29*
Pension surplus	**66**	*65*
	112	*94*

23. OTHER PROVISIONS

	Other £M
At 1 January 2022	**31**
Utilised in year	**(18)**
At 31 December 2022	**13**

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 2022 the Company had capital commitments as follows:

	2022 £M	*2021 £M*
Contracted for but not provided in these financial statements	**256**	*190*

	2022 £M	*2021 £M*
Not later than year	**178**	*112*
Later than 1 year and not later than 5 years	**78**	*78*
	256	*190*

Capital commitments will be funded through a combination of future cash generated and share issues to the parent of the Company.

25. PENSION COMMITMENTS

Defined Benefit Pension Schemes

ExxonMobil Pension Plan

The Company is the participating employer of a Defined Benefit Pension Scheme ("EMPP") providing final salary benefits. The Plan is open to new members. The Plan is subject to the statutory funding objective and so must aim to have sufficient and appropriate assets to cover the Plan's liabilities on the funding basis which is agreed between the member companies and the Trustee of the Plan.

The Plan is open to new entrants and open to future pension accruals. It provides benefits to members on retirement and holds pensions for former members who have left service and not yet reached retirement age.

As at the date of the most recently completed actuarial valuation (31 December 2021) the statutory funding objective was met. The Trustee and the employing companies have agreed that if an actuarial valuation reveals a shortfall against the statutory funding objective, the employing companies will eliminate any such shortfall no later than 24 months following the valuation date.

In recognition of the past service surplus, the Trustees and the Member Companies have agreed that the Member Companies will make no contributions over the calendar year 2022.

ExxonMobil Supplementary Plan

The Company is a participating member of the ExxonMobil Supplementary Pension Plan ("EMSP"), which is an unfunded pension scheme. All benefit payments from the EMSP are paid out by the Company.

Merchant Navy Officers Pension Fund

The Merchant Navy Officers Pension Fund (MNOPF) is an industry wide multi-employer defined benefit pension scheme which closed to new employees in October 1996 and closed to future accrual at the end of March 2016.

The last valuation report for this fund was carried out by a qualified independent actuary as at 31 March 2022. No additional contributions were requested as a result. The next valuation is due as at March 2025.

The Trustees of the MNOPF Scheme have provided sufficient information regarding the share of the obligations to be borne by the Company and other employers, for the directors to estimate the Company's share of the Scheme's surplus. The Company accounts for its proportionate share of the Industry Scheme.

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

This is the first year that the MNOPF has been included in the full disclosures, as discussed in Note 1.2.

Merchant Navy Ratings Pension Fund

The Merchant Navy Ratings Fund (MNRPF) is an industry wide multi-employer defined benefit pension scheme which was closed to future accrual in May 2001.

The last valuation report for this fund was carried out by a qualified independent actuary as at 31 March 2020 which showed an aggregate fund deficit of £96M. As a result the Trustee put in place a recovery plan requiring the Employers to continue to pay outstanding contributions required to meet the 2014 and 2017 deficits, which are expected to be sufficient to remove the 2020 deficit. The Company has paid its share of

25. PENSION COMMITMENTS (CONTINUED)

the 2014 and 2017 deficit payments and therefore there are no requirements for the Company to make payments under the recovery plan. The next valuation is due as at March 2023.

The Trustees of the MNRPF Scheme have provided sufficient information regarding the share of the obligations to be borne by the Company and other employers, for the directors to estimate the Company's share of the Scheme's surplus. The Company accounts for its proportionate share of the Industry Scheme.

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

This is the first year that the MNRPF has been included in the full disclosures, as discussed in Note 1.2.

. Movement in the present value of Scheme Liabilities:

	EMPP	EMSP	MNOPF	MNRPF	Total
	£M	£M	£M	£M	£M
At 1 January 2021	**5,688**	**325**	**82**	**53**	**6,148**
Current service cost	75	25	-	-	**100**
Interest cost	76	5	1	1	**83**
Actuarial (gains)	(174)	(18)	(4)	(2)	**(198)**
Benefits paid	(230)	(10)	(4)	(2)	**(246)**
Other	-	-	(1)	-	**(1)**
(Gain)/loss on curtailment	3	-	-	-	**3**
Foreign exchange effects	(8)	-	-	-	**(8)**
At 31 December 2021	**5,430**	**327**	**74**	**50**	**5,881**
At 1 January 2022	**5,430**	**327**	**74**	**50**	**5,881**
Current service cost	64	16	-	-	**80**
Interest cost	100	6	1	1	**108**
Actuarial (gains)	(1,896)	(139)	(18)	(14)	**(2,067)**
Benefits paid	(216)	(7)	(4)	(3)	**(230)**
Other	(1)	-	-	(1)	**(2)**
(Gain)/loss on curtailment	-	-	-	2	**2**
Foreign exchange effects	5	-	-	-	**5**
At 31 December 2022	**3,486**	**203**	**53**	**35**	**3,777**

25. PENSION COMMITMENTS (CONTINUED)

. **Movement in the present value of Scheme Assets:**

	EMPP	EMSP	MNOPF	MNRPF	Total
	£M	£M	£M	£M	£M
At 1 January 2021	**6,286**	**-**	**90**	**64**	**6,440**
Interest income	85	-	1	1	**87**
Return on plan assets	(24)	-	(13)	(2)	**(39)**
Employer contributions	4	10	-	-	**14**
Benefits paid	(230)	(10)	(4)	(2)	**(246)**
Other	-	-	-	(1)	**(1)**
Administration costs paid	(2)	-	-	(1)	**(3)**
Foreign exchange effects	(14)	-	-	-	**(14)**
At 31 December 2021	**6,105**	**-**	**74**	**59**	**6,239**
At 1 January 2022	**6,105**	**-**	**74**	**59**	**6,238**
Interest income	112	-	1	1	**114**
Return on plan assets	(1,981)	-	(16)	(16)	**(2,013)**
Employer contributions	4	7	-	-	**11**
Benefits paid	(216)	(7)	(4)	(3)	**(230)**
Other	(1)	-	1	-	**-**
Administration costs paid	(2)	-	-	(1)	**(3)**
Foreign exchange effects	9	-	-	-	**9**
At 31 December 2022	**4,030**	**-**	**56**	**40**	**4,126**

. **Composition of Scheme Assets:**

	EMPP	MNOPF	MNRPF	**2022 Total**	*2021 Total*
	£M	£M	£M	**£M**	*£M*
Equity securities	803	2	-	**805**	*1,238*
Bond securities	3,212	10	26	**3,248**	*4,905*
Property	-	-	24	**24**	*35*
Cash/other	15	44	(10)	**49**	*61*
Total Scheme Assets	**4,030**	**56**	**40**	**4,126**	*6,239*

25. PENSION COMMITMENTS (CONTINUED)

. The amounts included in the balance sheet is as follows:

	EMPP	EMSP	MNOPF	MNRPF	**2022 Total**	*2021 Total*
	£M	£M	£M	£M	**£M**	*£M*
Fair value of scheme assets	4,030	-	56	40	**4,126**	*6,239*
Present value of scheme liabilities	(3,486)	(203)	(53)	(35)	**(3,777)**	*(5,894)*
Net pension scheme asset/(liability)	**544**	**(203)**	**3**	**5**	**349**	*345*
Derecognition of Scheme Assets	**-**	**-**	**(3)**	**(5)**	**(8)**	*(9)*
Net pension scheme asset/(liability)	**544**	**(203)**	**-**	**-**	**341**	*336*

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

	EMPP	EMSP	MNOPF	MNRPF	**2022 Total**	*2021 Total*
	£M	£M	£M	£M	**£M**	*£M*
Current service cost	(64)	(16)	-	-	**(80)**	*(100)*
Interest on scheme liabilities	(100)	(6)	(1)	(1)	**(108)**	*(83)*
Interest income on scheme assets	112	-	1	1	**114**	*87*
Scheme curtailments	-	-	-	(2)	**(2)**	*(3)*
Administration costs	(2)	-	-	(1)	**(3)**	*(3)*
Foreign exchange effects of revaluation	(4)	-	-	-	**(4)**	*6*
Total	**(58)**	**(22)**	**-**	**(3)**	**(83)**	*(96)*

Scheme curtailments include an amount of £NIL (2021 - £3M) in relation to the redundancy event recognised in the 2020 valuation.

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income was £560M (*2021 - £614M*) for EMPP and EMSP only.

The Company expects to contribute a total of £5M to its Defined benefit pension scheme in 2023, mainly in respect of employee 'salary sacrifices' (for EMPP only). Following the 2021 actuarial valuation which resulted in a surplus, the Company and the Trustee have agreed a normal employer contribution holiday during 2023. However the funding position is being monitored on a regular basis to assess whether to re-introduce employer Contributions. Based on the most recently published valuations, the Company is not expecting to contribute any further deficit funding payments to the MNOPF or MNRPF as these have been fully paid.

25. PENSION COMMITMENTS (CONTINUED)

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

	EMPP	EMSP	MNOPF	MNRPF	2022 Total	*2021 Total*
	£M	£M	£M	£M	£M	*£M*
Actual returns less interest income included in net interest income/(expense)	(1,981)	-	(16)	(16)	**(2,013)**	*(39)*
Experience gains/(losses) arising on scheme liabilities	(258)	(13)	-	-	**(271)**	*(89)*
Changes in assumptions underlying the present value of scheme liabilities	2,154	152	**18**	14	**2,338**	*287*
Total	**(85)**	**139**	**2**	**(2)**	**54**	*159*

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

	2022	*2021*
Discount rate	4.9%	*1.9%*
Expected return on scheme assets	4.9%	*1.9%*
Price inflation (RPI)	3.25%	*3.3%*
Price inflation (CPI)	2.7%	*2.8%*
Future salary increases	3.25%	*3.3%*
Pension increases for in-payment benefits:		
- Pre-1997 benefits	2.3%	*2.3%*
- 1997-2006 benefits	3.25%	*3.3%*
- Post April 06	2.35%	*2.35%*
Rate of increase to pensions in payment in excess of any pension increases for deferred members	2.2%	*2.2%*
- Pre 2009	2.7%	*2.8%*
- Post 2009	2.5%	*2.5%*
Non contributory benefits	2.7%	*2.8%*
Mortality assumptions:	Years	*Years*
- for a male aged 60 now	27.6	*27.3*
- at 60 for a male aged 50 now	28.2	*28.3*
- for a female aged 60 now	29.3	*29.3*
- at 60 for a female aged 50 now	30.0	*30.1*

26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £M	*2021 £M*
Not later than 1 year	**4**	*3*
Later than 1 year and not later than 5 years	**13**	*11*
Later than 5 years	**14**	*5*
	31	*19*

27. SHARE CAPITAL

Shares classified as equity

	2022 £M	*2021 £M*
Allotted, called up and fully paid		
1,188,385,200 *(2021 - 1,008,385,200)* ordinary shares of £1 each	**1,188**	*1,008*
345,000,000 *(2021 - 345,000,000)* redeemable ordinary shares of £1 each	**345**	*345*
	1,533	*1,353*

In December 2022 the Company issued 180M £1 ordinary shares at par to its immediate parent company ExxonMobil UK Limited for cash consideration, to provide additional liquidity to fund future operations.

The 345,000,000 redeemable ordinary shares have a nominal value of £1 per share and a share premium of NIL *(2021 - 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 transactions and balances in the table below are with 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.

	2022	*2021*
	£M	*£M*
Turnover	**6**	*10*
Cost of sales	**5**	*10*
Debtors	**38**	*26*
Creditors	**41**	*36*

30. POST BALANCE SHEET EVENTS

In September 2023, the Company declared and paid a dividend of £500M to its immediate parent company, ExxonMobil UK Limited.

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, 22777 Springswoods Village Parkway Spring, TX 77389, USA.