

CHEVRON BRITAIN LIMITED

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



CHEVRON BRITAIN LIMITED

COMPANY INFORMATION

Directors Luis JR Aguilar (appointed 14 March 2022, resigned 1 June 2024)
Andrew Alexander Kulpecz (appointed 24 August 2022)
Ewan Chesser (appointed 24 August 2022)
Anthony Robert McGarva (appointed 15 September 2014)
John Patrick Ching (appointed 1 June 2024)

Registered number 01006065

Registered office 1 Westferry Circus
London
E14 4HA

CHEVRON BRITAIN LIMITED

CONTENTS

| | Page |
|------------------------------------------|---------|
| Strategic Report | 1 - 4 |
| Directors' Report | 5 - 7 |
| Independent Auditors' Report | 8 - 10 |
| Profit and Loss Account | 11 |
| Balance Sheet | 12 |
| Statement of Changes in Equity | 13 |
| Notes to the Financial Statements | 14 - 32 |

CHEVRON BRITAIN LIMITED

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

Introduction

The directors of Chevron Britain Limited present their strategic report for the year ended 31 December 2023.

Business review

The Clair Field lies 47 miles (75 km) west of the Shetland Islands in the North Sea. Clair is one of the United Kingdom's largest hydrocarbon resources. Oil and gas are exported via pipelines to the Sullom Voe Terminal on the Shetland Islands.

The Clair Field is being developed using a phased approach. Clair Phase 1 was sanctioned in 2001 and was developed with a single fixed platform with production and processing facilities. First oil was achieved in 2005. The second phase of development, Clair Ridge was developed with two fixed platforms and is designed to have a capacity of 120,000 barrels of crude oil and 100 million cubic feet of natural gas per day. First oil was achieved in November 2018. A six well appraisal and exploration drilling programme was conducted from 2013 into 2015.

Clair is operated by BP Exploration Operating Company Limited which holds a 45.1% operated working interest in the field, Chevron Britain Limited holds a 19.425% non-operated working interest in the field, Shell Clair UK Limited holds a 9.3% non-operated working interest in the field, Enterprise Oil Limited holds an 18.7% non-operated working interest in the field and Premier Oil UK Limited holds a 7.5% non-operated working interest in the field.

The company's working interest share of daily production for the field averaged 13,765 barrels of oil equivalent during 2023 (2022: 14,300).

The results of the company show an operating profit of £220.6 million (2022: operating profit of £382.9 million) for the year ended 31 December 2023

CHEVRON BRITAIN LIMITED

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

Principal risks and uncertainties

Health, Safety and the Environment

The company's Operational Excellence objective is to protect people and the environment with a focus on preventing fatalities and serious injuries and improving process safety. Risks are managed through a continued focus on the company's Incident Free Operations and Operational Excellence assurance programs and through focussing on the objectives of the company's Environmental Stewardship Plan.

Climate change risk

Policy, legal, regulatory, technology and market developments related to the issue of climate change could expose the company to the financial risk of increased costs, reduced demand for products, reduced revenue and limits on certain growth opportunities.

Financial risks

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, interest rate risk and cash flow risk.

Price risk: The company is exposed to commodity price risk because of its operations. Management do not consider hedging price risk to be necessary at present. The company continues to monitor the carrying value of assets and assess for any potential impairment based on the current and projected commodity prices.

Credit risk: The company's principal financial assets are cash, trade debtors and other debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The directors consider that the company has no significant concentration of credit risk, with exposure spread over several customers.

Liquidity risk: The company actively maintains short-term finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate risk: The company has both interest-bearing assets and interest-bearing liabilities. Interest-bearing finance includes cash balances.

Cash flow risk: The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company does not use foreign exchange forward contracts to hedge these exposures.

Financial key performance indicators

Information on the performance of the company is available in the "Business review" section above. Chevron Corporation Group financial statements are available from 1 Westferry Circus, London, E14 4HA.

CHEVRON BRITAIN LIMITED**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023****Directors' statement of compliance with duty to promote the success of the company**

The Companies (Miscellaneous Reporting) Regulations 2018 (2018 MRR) require the Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) of the Companies Act 2006 ("S172") when performing their duty to promote the success of the Company under S172.

This section of the strategic report comprises the Directors' S172 Statement, the statement on engagement with suppliers, customers and others is covered in the Directors' report.

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

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

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

The company's ultimate parent, Chevron Corporation, has developed and implemented a number of policies and principles which the Company has reviewed and adopted. "The Chevron Way" details the guiding principles which all employees must follow, and these principles include diversity and inclusion, high performance, integrity and trust, protecting people and the environment and partnership.

Our Business Conduct & Ethics Code (BCEC) is built on Chevron's core values and highlights the principles that guide business conduct and how our policies are designed to support full compliance with applicable laws. Chevron's BCEC: <https://www.chevron.com/-/media/shared-media/documents/chevronbusinessconductethicscode.pdf>

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

Principal decisions

During 2023, the directors made the following key strategic decisions:

To propose and pay a dividend of \$100million (£81.7million) to Chevron International Exploration and Production Company Limited.

The directors did not make any decisions that were of a significant or a strategic nature as it relates to the business relationships with suppliers, customers and others, community and environment.

CHEVRON BRITAIN LIMITED

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

Climate Change

The impact of climate change and the related sustainability issues form an integral part of the company's overall business strategy. The company's ultimate parent, Chevron Corporation, has developed a framework which provides details of the governance, risk management, processes, and metrics used to manage climate change-related risk and opportunities. The 2023 Climate Change Resilience Report can be reviewed <https://www.chevron.com/-/media/chevron/sustainability/documents/climate-change-resilience-report.pdf>

The company holds a 19.425% non-operated working interest in the Clair field and therefore has neither financial nor operational control over the asset. The company qualifies as a low energy user and is exempt from Streamlined Energy and Carbon Reporting (SECR) reporting.

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

Andrew Kulpecz

Andrew Kulpecz

Director

June 28, 2024

CHEVRON BRITAIN LIMITED

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

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Principal activity

During the year, the principal activities of Chevron Britain Limited ('the company') comprised mainly of the exploration, production and sale of hydrocarbons from the Clair Field located West of Shetlands.

Results and dividends

The profit for the year, after taxation, amounted to £159 million (2022 - £102 million).

The Company paid a dividend during the year of \$100million (£81.7million) to its parent, Chevron International Exploration and Production Company Limited.

CHEVRON BRITAIN LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023****Directors**

The directors who served during the year were:

Luis JR Aguilar (appointed 14 March 2022, resigned 1 June 2024)

Andrew Alexander Kulpecz (appointed 24 August 2022)

Ewan Chesser (appointed 24 August 2022)

Anthony Robert McGarva (appointed 15 September 2014)

Future developments

A third phase of development, Clair Ridge Extension (CRX), is currently under assessment.

Engagement with employees

The Company does not have any direct employees. Employees are engaged through Chevron Energy Limited. Details of employee engagement can be found in the financial statements of Chevron Energy Limited.

Engagement with suppliers, customers and others**Customers:**

The Company's success depends not only on meeting its customers' expectations today but anticipating them tomorrow, thereby enabling human progress. The Company uses the latest technologies, whether chemical or digital, to deliver innovative solutions to its customers to power the world forward. The network of sales and marketing colleagues, whether Chevron employees or those within its distributors, are 'here to help' and represent company's brands and company with professionalism every day in line with The Chevron Way. In doing so the Company has built a loyal customer base with a passion to serve.

Suppliers:

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

Community and Environment

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

Business Relationships

The Company has business relationships with a number of external customers, suppliers, in addition to co-owners, government bodies such as the North Sea Transition Authority (NSTA) and wholly owned subsidiaries and affiliates of Chevron Corporation.

CHEVRON BRITAIN LIMITED

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

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' Liability Insurance in respect of itself and its directors.

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 the 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.

Post Balance Sheet Events

In May 2024, as part of a strategic review, the company's parent, Chevron International Exploration and Production Limited, announced its intention to initiate the process of marketing its 19.425% non-operated working interest in the Clair Field and associated assets in the UK North Sea. The process is not expected to have a significant impact on the financial position of the company and it is the directors intention that the principal activities of the company will continue for the foreseeable future.

Auditors

Under section 487(2) of the Companies Act 2006, PriceWaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Andrew Kulpecz

Andrew Kulpecz

Director

June 28, 2024

Independent auditors' report to the members of Chevron Britain Limited

Report on the audit of the financial statements

Opinion

In our opinion, Chevron Britain Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Balance sheet as at 31 December 2023; Profit and loss account and Statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the 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 the Petroleum Act 1998, 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 UK tax legislation and the Companies Act 2006. 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 the posting of inappropriate journal entries to increase revenue or profitability. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigations, and instances of fraud;
- Understanding management's controls designed to prevent and detect irregularities;
- Review of board minutes;
- Challenging management on assumptions and judgements made in their significant account estimates; and
- Identifying and testing journal entries with specific focus on entries containing unusual account combinations in response to the risk of management override of controls.

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.

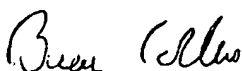
Other required reporting

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.



Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
30 June 2024

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | Note | 2023 £M | 2022 £M |
|----------------------------------------|------|--------------|--------------|
| Turnover | 4 | 307.2 | 470.9 |
| Cost of sales | | (145.6) | (154.5) |
| Gross profit | | 161.6 | 316.4 |
| Administrative expenses | | (14.9) | (17.1) |
| Other operating income | 5 | 117.8 | 83.6 |
| Other operating charges | 6 | (43.9) | - |
| Operating profit | 6 | 220.6 | 382.9 |
| Interest receivable and similar income | 10 | 36.7 | 16.9 |
| Interest payable and similar expenses | 11 | (3.3) | (8.2) |
| Profit before tax | | 254.0 | 391.6 |
| Tax on profit | 12 | (95.5) | (290.0) |
| Profit for the financial year | | 158.5 | 101.6 |

There are no items of other comprehensive income for 2023 or 2022 other than the profit for the year. As a result, no separate Statement of Comprehensive Income has been presented.

The notes on pages 14 to 32 form part of these financial statements.

Following the introduction of a new financial statement software in 2023, further disaggregation of admin expenses has been presented in the profit and loss account. To align the prior year balances, £83.6m has been reclassified from administrative expenses to other operating income.

CHEVRON BRITAIN LIMITED
REGISTERED NUMBER: 01006065

BALANCE SHEET
AS AT 31 DECEMBER 2023

| | Note | 2023 £M | 2023 £M | 2022 £M | 2022 £M |
|-------------------------------------------------------|------|------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | | 1,008.9 | | 1,040.9 |
| | | | <u>1,008.9</u> | | <u>1,040.9</u> |
| Current assets | | | | | |
| Stocks | 15 | 13.2 | | 12.1 | |
| Debtors: amounts falling due after more than one year | 16 | 85.0 | | 71.2 | |
| Debtors: amounts falling due within one year | 16 | 668.2 | | 663.1 | |
| | | | <u>766.4</u> | <u>746.4</u> | |
| Creditors: amounts falling due within one year | 17 | (45.3) | | (105.0) | |
| Net current assets | | | <u>721.1</u> | | <u>641.4</u> |
| Total assets less current liabilities | | | <u>1,730.0</u> | | <u>1,682.3</u> |
| Provisions for liabilities | | | | | |
| Deferred tax | 18 | (485.8) | | (509.3) | |
| Other provisions | 19 | (44.5) | | (50.1) | |
| | | | <u>(530.3)</u> | <u>(559.4)</u> | |
| Net assets | | | <u>1,199.7</u> | | <u>1,122.9</u> |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 0.1 | | 0.1 |
| Share premium account | | | 892.2 | | 892.2 |
| Profit and loss account | | | 307.4 | | 230.6 |
| Total equity | | | <u>1,199.7</u> | | <u>1,122.9</u> |

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

Andrew Kulpecz

Andrew Kulpecz

Director June 28, 2024

The notes on pages 14 to 32 form part of these financial statements.

CHEVRON BRITAIN LIMITED

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

| | Called up share capital £M | Share premium account £M | Profit and loss account £M | Total equity £M |
|-----------------------------------------------------|----------------------------------|-----------------------------------|----------------------------------|--------------------|
| At 1 January 2022 | 0.1 | 892.2 | 129.0 | 1,021.3 |
| Profit for the year | - | - | 101.6 | 101.6 |
| At 1 January 2023 | 0.1 | 892.2 | 230.6 | 1,122.9 |
| Profit for the year | - | - | 158.5 | 158.5 |
| Contributions by and distributions to owners | | | | |
| Dividends: Equity capital | - | - | (81.7) | (81.7) |
| Total transactions with owners | - | - | (81.7) | (81.7) |
| At 31 December 2023 | 0.1 | 892.2 | 307.4 | 1,199.7 |

The notes on pages 14 to 32 form part of these financial statements.

CHEVRON BRITAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****1. General information**

Chevron Britain Limited (the "company") is a private company limited by shares and is incorporated in London and domiciled in the United Kingdom. The address of its registered office is 1 Westferry Circus, Canary Wharf, London, E14 4HA. The company became active on June 19th, 2019 and its principal activities comprise of the exploration, production and sale of hydrocarbons from the Clair field located West of Shetlands.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirement of paragraph 24(b) of IFRS 6 Exploration for and Evaluation of Mineral Resources to disclose the operating and investing cash flows arising from the exploration for and evaluation of mineral resources (when applying this standard in accordance with paragraph 34.11 of FRS 102).

This information is included in the consolidated financial statements of Chevron Corporation as at 31 December 2023 and these financial statements may be obtained from 1 Westferry Circus, Canary Wharf, London, E14 4HA..

CHEVRON BRITAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. Accounting policies (continued)****2.3 Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Management base their assumption on i) the sale process being at a very early stage and the likelihood of a sale completing in the going concern period deemed lower than probable, ii) future cash flows that show that even in a severe low case scenario the company is cash generative and iii) the company has access to intercompany receivables as detailed in the Debtors note. Thus, they continue to adopt the going concern basis of accounting in preparation for the financial statements.

2.4 Foreign currency translation**Functional and presentation currency**

The company's functional and presentational currency is GBP.

Transactions and balances

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 profit or loss

2.5 Jointly controlled operations

The operation of most of the oil and gas exploration, development and production activities are generally conducted through jointly controlled operations (which are not entities) with other companies. The company's interests in these jointly controlled operations are accounted for by recognising its share of assets, liabilities, income and expenses in the financial statements.

2.6 Turnover

Turnover represents amounts received and receivable net of value added tax and excise duties in respect of goods and services provided during the year. Goods and services represent the sale of hydrocarbons to third parties and fellow Group undertakings. Revenue from sales is recognised when the significant risks and rewards of ownership have been passed to the buyer and when the amount is recoverable and can be reasonably measured. Revenue associated with sales of oil and gas is recorded upon transfer of title, and usually coincides with the customer taking physical possession. Any net over/under lift adjustment in respect of the sale of hydrocarbons is recognised in the profit and loss account as an adjustment to cost of sales.

CHEVRON BRITAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. Accounting policies (continued)****2.7 Pensions**

The company's UK parent, Chevron Energy Limited, participates in the Chevron UK Pension Plan. A portion of the pension contributions made by the UK parent is allocated to the company in respect of those employees providing services to the company. While the scheme is a defined benefit scheme providing benefits based on final pensionable pay, the funding arrangement is between the Plan and the sponsor, Chevron Energy Limited, with no formal linkage to the operating companies, including Chevron Britain Limited. As such, the scheme is being accounted for in the company's financial statements as a defined contribution scheme. The annual cost of allocations in the scheme is charged to the profit and loss account.

2.8 Share-based payments**Share Incentive Plan**

Eligible employees of the company's ultimate UK parent can elect to participate in the UK Share Incentive Plan administered by Chevron Energy Limited. This plan enables employees to make monthly contributions out of salary up to prescribed limits. Each month the contributions are used by the trustees of the plan to acquire shares of common stock of Chevron Corporation on the open market (partnership shares). Chevron Energy Limited makes a matching contribution to the trustees to acquire a matching number of shares (matching shares) on a two-for-one basis. The company receives an annual management charge from the UK parent in relation to the plan, which is equivalent to the cost of each matching share acquired during the period. This cost is charged to the profit and loss account.

Long Term Incentive Plan

The ultimate parent company, Chevron Corporation operates a Long-Term Incentive Plan of stock options and other share-based compensation for certain employees. For the major types of awards outstanding as of 31 December 2023, the contractual terms vary between three years for the performance units and 10 years for the stock options and stock appreciation rights. In accordance with FRS 102.26, the values of outstanding awards for those employees who work for the company, are charged to the company's profit and loss account and accounted for as equity-settled arrangements.

Equity-settled arrangements are measured at fair value at the grant date. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted for the number of equity instruments that will ultimately vest.

CHEVRON BRITAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. Accounting policies (continued)****2.9 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 charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 balance sheet 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Exploration, appraisal and development costs

Exploration, appraisal and development costs are accounted for under the successful efforts' method. All exploration and appraisal wells are capitalised pending evaluation of the project. If the project is subsequently deemed to be unsuccessful, the costs are expensed in the period in which the evaluation is made. Expenditure on general seismic data is expensed as incurred.

Development expenditure capitalised represents costs incurred in drilling development wells and acquiring and installing production facilities, except for costs relating to the initial feasibility studies which are expensed as incurred.

All licence acquisition costs are capitalised as intangible assets and are amortised on a unit of production basis.

2.11 Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

CHEVRON BRITAIN LIMITED

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

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

The accumulated capital cost of producing equipment and completed wells and the decommissioning asset is depreciated on a unit of production basis, by field. Under this method, depreciation is calculated by reference to the production in the year as a proportion of proved reserves at the beginning of the period. Depreciation is provided to write off cost or valuation.

Unfinished plant and equipment are not depreciated.

Impairment

At each balance sheet date, fixed assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit). Such impairment reviews are performed in accordance with FRS 102.

The recoverable amount of the asset (or asset's cash generating unit) is the higher of fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset. When determined, a fair value less costs to sell is derived using estimation techniques such as a discounted cash flow analysis by incorporating assumptions that market participants would use in estimating the asset's fair value and applying a post-tax discount rate (using market participant assumptions).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

CHEVRON BRITAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. Accounting policies (continued)****2.12 Stocks**

The company's share of joint venture warehouse stock is stated at the lower of cost, determined on an average cost basis, and net realisable value. Cost includes the purchase price, taxes and duties, transport and handling directly attributable to bringing the inventory to its present location and condition.

Stocks of crude oil and other hydrocarbon products are stated at the lower of cost and selling price using the First-In, First-Out (FIFO) method. Cost is determined on an average cost basis and includes the appropriate share of operating expenses and depreciation. Over / under-lift positions and stock are considered on a net basis. Provision is made for the restitution of liftings if they differ from the company's equity share of production. Any net over-lift position is included in creditors, valued at replacement value. Any net under-lift position is included within "stocks". The change in value during the year is included within cost of sales in the profit and loss account.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Long-term debtors, including the receivable due on the sale of Rosebank, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

2.14 Provision for liabilities

A provision is recognised when the company has a legal or constructive obligation because of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

The company has a provision for the estimated cost of dismantling and restoring production and related facilities at the end of the economic life of each field which is recognised in full from the commencement of oil and gas production. The amount recognised is the present value of the estimated future restoration cost. An offsetting tangible fixed asset is also recognised and depreciated on a unit of production basis.

Changes to the present value of the estimated future restoration cost are accounted for prospectively as adjustments to the provision and the fixed asset.

The unwinding of discounts on provisions is included within interest payable

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CHEVRON BRITAIN LIMITED

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

2. Accounting policies (continued)

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

CHEVRON BRITAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****3. Judgements in applying accounting policies and key sources of estimation uncertainty**

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

Critical judgements in applying accounting policies

As part of a group restructuring, net assets with a carrying value of £892.2M were transferred to the company on June 19th, 2019 from Ithaca Oil and Gas Limited (formerly Chevron North Sea Limited). The company elected to use the merger accounting method whereby the assets and liabilities transferred were not required to be adjusted to fair value. The related party company's accounting policies were in compliance with FRS 102 and therefore all assets and liabilities including in the group restructuring are in compliance with this standard.

Critical accounting estimates and assumptions

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

Estimates of oil and gas reserves

The principal activities of the company comprise the exploration for, development of and production and sale of hydrocarbons within the United Kingdom. Estimates of oil and gas reserves are used in the calculations for impairment tests and for accounting for depreciation and decommissioning. Changes in estimates of oil and gas reserves will affect the calculation of future cash flows used in impairment testing, anticipated decommissioning dates and depreciation charges in accordance with the unit of production method (UOP).

Provisions for the cost of dismantling and restoring the production and related facilities

The company has an obligation to pay for the dismantling and restoration costs for all production and related facilities at the end of a field's life. The present value cost of this obligation is dependent on several factors including the physical condition and location of the asset, future investment, current credit ratings, inflation factors and future efficiencies.

Rosebank sale

The timing and value of future proceeds receivable from this transaction, are based on management estimates of future events and the oil price when those future events occur. The estimate includes probabilities of the likelihood of future events occurring around the development of the field, timing of such events and the oil price. The carrying value for future proceeds included in the balance sheet at December 31, 2023 is £85.0M (2022 £71.2M).

Sensitivities

The company has performed sensitivity analyses to estimate the potential impact on the 2023 financial statements if changes to key assumptions were made and these are discussed below.

- (a) Change in discount rate, and oil price on Rosebank receivable

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

3. Judgements in applying accounting policies (continued)

Adjusting the discount rate by +/-1% would result in an impact +/- £3M on the receivable balance. Whereas adjusting the the oil price by +/- \$5 would result in an impact of +/-£42M on the receivable balance.

(b) Change in discount rate on decommissioning provision

Adjusting the discount rate used in determining the provision of field restoration costs by -1% would increase the provision by £11M, whereas increasing the discount rate by 1% would reduce the provision by £9M

4. Turnover

All turnover of the company result from oil and gas exploration and production activities and the sale of hydrocarbons.

The company's net assets, turnover and profit are derived from sales which originate in the United Kingdom. The directors of the company believe that there is only one class of business.

Analysis of turnover by country of destination:

| | 2023 £M | 2022 £M |
|-------------------|------------|------------|
| United Kingdom | 144.2 | 264.7 |
| Rest of the world | 163.0 | 206.2 |
| | 307.2 | 470.9 |

5. Other operating income

| | 2023 £M | 2022 £M |
|--------------------------------------|------------|------------|
| Other operating income | 17.5 | 16.0 |
| Remeasurement of Rosebank receivable | 97.5 | - |
| Foreign exchange difference - gain | 2.8 | 67.6 |
| | 117.8 | 83.6 |

Changes to the fair market value of the Rosebank receivable are recognised in the profit and loss account. During 2023, Equinor, as the operator of Rosebank received consent from the Secretary of State to proceed with the project. This consent triggered a remeasurement of the receivable balance and a further payment of £81.9M was received by the company.

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

6. Operating profit

The operating profit is stated after charging:

| | 2023 | 2022 |
|---------------------------------------------------------|-------------|-------------|
| | £M | £M |
| Foreign exchange difference - loss | 43.9 | - |
| Depreciation & Amortisation | 75.2 | 76.2 |
| Crude oil stock and other hydrocarbon products movement | 0.6 | 8.4 |
| | 0.6 | 8.4 |

7. Auditors' remuneration

During the year, the company obtained the following services from the company's auditors and their associates:

| | 2023 | 2022 |
|-----------------------------------------------------------------------------------------------------------------|-------------|-------------|
| | £M | £M |
| Fees payable to the company's auditors and their associates for the audit of the company's financial statements | 0.1 | 0.1 |
| | 0.1 | 0.1 |

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

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

8. Employees

The contracts of service for the company's national employees are held by the UK holding company, Chevron Energy Limited. The related costs of the employees who work on the company's assets are disclosed in the financial statements of the company as if they were employed by the company.

Staff costs were as follows:

| | 2023 | 2022 |
|--------------------------------|-------------|-------------|
| | £M | £M |
| Wages and salaries | 12.8 | 11.4 |
| Social security costs | 1.5 | 1.3 |
| Cost of defined benefit scheme | 0.1 | 1.0 |
| | 14.4 | 13.7 |
| | 14.4 | 13.7 |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2023 | 2022 |
|--------------------------------------------|-------------|-------------|
| | No. | No. |
| Exploration, production and administration | 80.0 | 51.0 |
| | 80.0 | 51.0 |
| | 80.0 | 51.0 |

The company is a member of the Chevron Energy Limited Share Incentive Plan (employee share ownership scheme). During the year, £0.5M (2022: £0.2M) was charged to the profit and loss account in relation to the shares gifted to employees who work for the company. The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(d)(i), from disclosing details of the share incentive plan, on the basis that it is a qualifying entity and its ultimate parent company, Chevron Corporation provides details of Employee Benefits Plan in its own financial statements.

The ultimate parent company, Chevron Corporation, operates a Long-Term Incentive Plan for certain employees. Awards under this plan may take the form of, but are not limited to, stock options, restricted stock units, stock appreciation rights and performance units. For the major types of awards outstanding as of 31 December 2023, the contractual terms vary between three years for the performance units and 10 years for the stock options and stock appreciation rights. In accordance with FRS 102 paragraph 26, the awards are accounted for as equity-settled awards. During the year, the movement on the awards of £nil (2022: £nil), for those employees who work for the company, was charged to the profit and loss account.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(d)(i), from disclosing details of its share-based payments, on the basis that it is a qualifying entity and its ultimate parent company Chevron Corporation includes full details of these in its own consolidated financial statements.

Further detail of the schemes can be found in the financial statements of Chevron Energy Limited and Chevron Corporation which can be obtained from 1 Westferry Circus, Canary Wharf, London, E14 4HA.

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

9. Directors' remuneration

The aggregate amount of directors' emoluments is £1.0M (2022 £0.8M).

Post-employment benefits are accruing for one directors (2022: two) under a defined benefit scheme. No directors (2022: none) were members of defined contribution schemes.

The highest paid director received remuneration of £0.7M(2022 £0.4M)).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2022 - £57,127).

During the year NIL directors received shares under the long-term incentive schemes (2022 one) and NIL directors exercised share options (2022 NIL).

The total accrued pension provision of the highest paid director at 31 December 2023 amounted to £NIL (2022 - £NIL).

10. Interest receivable and similar income

| | 2023 | 2022 |
|------------------------------------------|-------------|-------------|
| | £M | £M |
| Interest receivable from group companies | 36.7 | 16.9 |
| | 36.7 | 16.9 |
| | 36.7 | 16.9 |

11. Interest payable and similar expenses

| | 2023 | 2022 |
|---------------------------------------------------|-------------|-------------|
| | £M | £M |
| Interest payable on loans from group undertakings | 1.1 | 0.1 |
| Other interest payable | 2.2 | 8.1 |
| | 3.3 | 8.2 |
| | 3.3 | 8.2 |

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

12. Taxation

| | 2023 | 2022 |
|-------------------------------------------------|---------------|--------------|
| | £M | £M |
| Corporation tax | | |
| Current tax on profits for the year | 128.0 | 199.8 |
| Adjustments in respect of previous periods | (9.0) | (0.6) |
| | 119.0 | 199.2 |
| Total current tax | 119.0 | 199.2 |
| Deferred tax | | |
| Origination and reversal of timing differences | (23.5) | (22.6) |
| Changes to tax rates - Energy Profit Levy (EPL) | - | 113.4 |
| | (23.5) | 90.8 |
| Total deferred tax | (23.5) | 90.8 |
| Tax on profit | 95.5 | 290.0 |

The UK rate of Corporation Tax applicable to ring fence activities is charged at 30% (2022: 30%). The Supplementary Charge at 10% (2022: 10%) is calculated on the same basis as Corporation Tax, without the deduction for financing costs. The Energy Profit Levy (EPL) of 35% (2022 25%) is charged to ring fence activities, giving an overall tax rate of 75%. (2022 65%). The lower standard rate of Corporation Tax of 23.5% (2022: 19%) applies to certain incidental activities.

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 30% (2022 - 30%). The differences are explained below:

| | 2023 £M | 2022 £M |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------|
| Profit on ordinary activities before tax | <u>254.0</u> | <u>393.0</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2022 -30%) | 76.2 | 117.5 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 2.6 | - |
| Rollover relief on profit on disposal of fixed assets | (24.6) | - |
| Adjustments to tax charge in respect of prior periods | (8.9) | (0.9) |
| Timing difference leading to an increase (decrease) in taxation | (18.2) | (8.9) |
| Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment | - | (0.8) |
| Tax rate difference on non-ring fence profits | - | (7.0) |
| Book profit on chargeable assets | (4.7) | - |
| Supplementary charge | 15.0 | 34.8 |
| Energy Profit Levy (EPL) | 58.1 | 155.3 |
| Total tax charge for the year | <u>95.5</u> | <u>290.0</u> |

Factors that may affect future tax charges

The UK government announced on June 9th, 2023 the introduction of the Energy Security Investment Mechanism in relation to the Energy Profit Levy (EPL).

The Energy Security Investment Mechanism (ESIM) has been designed to give operators the confidence needed to keep investing in domestic oil and gas production to support the country's energy security. The ESIM will use a 20-year historic average as the basis for setting price thresholds for both oil and gas. The oil price threshold is \$71.40/barrel and the gas price threshold is £0.54 per therm. The mechanism will activate and disapply the Energy Profit Levy (EPL) only when both average oil and gas prices over two successive quarters meet or fall below their respective price thresholds.

On March 6th, 2024, as part of the Spring Budget in the UK, the Chancellor announced an extension of one year to the Energy Profit Levy (EPL) sunset clause, from March 31, 2028 to March 31, 2029. This is not expected to be legislated until after the general election. The deferred tax impact of the extension of the Energy Profit Levy (EPL) being substantially enacted is estimated to be a charge of approximately £13M in the quarter this occurs.

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

13. Dividends

| | 2023 £M | 2022 £M |
|-------------------------------------------------------------------------------------------------------|------------|------------|
| Cash dividend paid to Shareholder Chevron International Exploration and Production Company Limited | 81.7 | - |
| | 81.7 | - |
| | 81.7 | - |

14. Tangible fixed assets

| | Producing Equipment & Completed Wells £M | Decom Asset £M | Exploration Asset £M | Unfinished Producing Equipment & Incomplete Well Costs £M | Total £M |
|----------------------------------------|---------------------------------------------------------|----------------------|----------------------------|-----------------------------------------------------------------------------|-------------|
| Cost or valuation | | | | | |
| At 1 January 2023 | 1,149.8 | 21.6 | 46.8 | 48.6 | 1,266.8 |
| Additions | 50.3 | (7.1) | - | - | 43.2 |
| At 31 December 2023 | 1,200.1 | 14.5 | 46.8 | 48.6 | 1,310.0 |
| Depreciation | | | | | |
| At 1 January 2023 | 218.9 | 7.0 | - | - | 225.9 |
| Charge for the year on owned assets | 73.4 | 1.8 | - | - | 75.2 |
| At 31 December 2023 | 292.3 | 8.8 | - | - | 301.1 |
| Net book value | | | | | |
| At 31 December 2023 | 907.8 | 5.7 | 46.8 | 48.6 | 1,008.9 |
| At 31 December 2022 | 930.9 | 14.6 | 46.8 | 48.6 | 1,040.9 |

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

15. Stocks

| | 2023 £M | 2022 £M |
|-------------------------------|------------|------------|
| Raw materials and consumables | 12.1 | 10.4 |
| Stocks - finished goods | 1.1 | 1.7 |
| | 13.2 | 12.1 |

The carrying value of stocks are stated net of a provision of £2.7M (2022: £1.7M)

16. Debtors

| | 2023 £M | 2022 £M |
|-------------------------------------|------------|------------|
| Due after more than one year | | |
| Other debtors | 85.0 | 71.2 |
| | 85.0 | 71.2 |
| Due within one year | | |
| Trade debtors | 85.5 | 51.6 |
| Amounts owed by group undertakings | 582.4 | 611.2 |
| Other debtors | 0.3 | 0.3 |
| | 668.2 | 663.1 |

Included in amounts owed by group undertakings is £574.5M of a short-term loan with group company Chevron Finance Holdings Limited, repayable on demand, earning interest at 3 month SOFR plus 0.6796%, paid quarterly in arrears. In June 2022 the credit agreement for the loan facility was extended for a further 3 years and the facility increased from \$500 million to \$2 billion.

The remaining balance are amounts owed to group undertakings unsecured, interest free and repayable on demand except for short term surplus cash balances that are held with group company Chevron Netherlands Finance B.V. earning a benchmark overnight rate plus 5.246% (2022 1.2993%).

Other debtors due after more than one year, are the future proceeds that management have estimated to be receivable relating to the sale of Rosebank. In September 2023, the Field Development Plan (FDP) for Rosebank received consent from the Secretary of State. This triggered a payment of £81.9million to the company. The remaining contingent receivable of £85M has been calculated with the assumptions of first oil in Q4 2026, an oil price of \$60, and to reflect current day monies have been discounted using a discount rate of 4.7% (2022: 3.56%).

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

17. Creditors: Amounts falling due within one year

| | 2023 £M | 2022 £M |
|------------------------------------|------------|------------|
| Trade creditors | 10.7 | 15.7 |
| Amounts owed to group undertakings | 4.8 | 4.9 |
| Corporation tax | 17.2 | 73.5 |
| Accruals and deferred income | 12.6 | 10.9 |
| | 45.3 | 105.0 |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand except for short term deficit cash balances that are owed to group company Chevron Netherlands Finance B.V. incurring a benchmark overnight market rate plus 5.619% (2022 0.9517%).

18. Deferred taxation

| | 2023 £M |
|-----------------------|----------------|
| At beginning of year | (509.3) |
| Utilised in year | 23.5 |
| At end of year | (485.8) |

Deferred Corporation Tax is provided at 30% (2022: 30%), Deferred Supplementary Charge at 10% for all timing differences (2022: 10%) and Deferred Energy Profit Levy (EPL) at 35% (2022: 35%) on certain timing differences expected to unwind by March 31st 2028,

The provision for deferred taxation is made up as follows:

| | 2023 £M | 2022 £M |
|---------------------------------------------------------|------------|------------|
| Accelerated capital allowances | (494.5) | (521.5) |
| Field restoration costs / short-term timing differences | 8.7 | 12.2 |
| | (485.8) | (509.3) |

The net deferred tax liability expected to reverse in 2024 is £16 million. This primarily relates to timing differences on capital allowances.

| |
|--------------------------------|
| CHEVRON BRITAIN LIMITED |
|--------------------------------|

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

19. Provisions

| | £M |
|----------------------------|-------------|
| At 1 January 2023 | 50.1 |
| Unwind of discount | 1.5 |
| Other movements | (7.1) |
| At 31 December 2023 | 44.5 |

At the end of December 2023, the company's long-term provision for field restoration costs was £44.5 million (2022: £50.1 million). These costs, for dismantling and restoring the company's production and related facilities and certain other infrastructure interests owned by the company, will be incurred over a period, estimated to be the next 30 years. The provision has been calculated in current day monies and has been discounted using a discount rate of 4.1% (2022: 3.1%).

20. Share capital

| | 2023 | 2022 |
|-------------------------------------------------------|----------------|----------------|
| | £ | £ |
| Authorised, allotted, called up and fully paid | | |
| 100,100 (2022 - 100,100) Ordinary shares of £1.0 each | 100,100 | 100,100 |

21. Capital commitments

Capital commitments are shown at the company's net position and relate to the Clair field. At 31 December 2023 the company had capital commitments as follows:

| | 2023 | 2022 |
|---------------------------------------------------------------|-------------|-------------|
| | £M | £M |
| Contracted for but not provided in these financial statements | 58.2 | 35.3 |
| | 58.2 | 35.3 |

CHEVRON BRITAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****22. Pension commitments**

The company has taken advantage of the exemption available under FRS 102 paragraph 28 'Post Employment Benefits' to treat pension contributions made to the Defined Benefit Scheme operated by Chevron Energy Limited as if they were contributions to a Defined Contribution Scheme, where contributions to the scheme are charged to the Profit and Loss account as they fall due. The company has taken advantage of the exemption as the funding arrangement is between the Plan and the Sponsor, Chevron Energy Limited, with no formal linkage to the operating companies, including Chevron Britain Limited. Further information on defined benefit pension plans for employees is included in the financial statements of Chevron Corporation, which can be obtained from 1 Westferry Circus, Canary Wharf, London, E14 4HA.

23. Related party transactions

The company has taken advantage of the exemption available under FRS 102 paragraph 33.1A not to disclose any transactions with entities that are part of the Group which qualify as related parties, as the company is a wholly owned subsidiary which is included in the publicly available financial statements of Chevron Corporation.

24. Post balance sheet events

In May 2024, as part of a strategic review, the company's parent, Chevron International Exploration and Production Limited, announced its intention to initiate the process of marketing its 19.425% non-operated working interest in the Clair Field and associated assets in the UK North Sea. The process is not expected to have a significant impact on the financial position of the company and it is the directors intention that the principal activities of the company will continue for the foreseeable future.

25. Controlling party

The immediate parent undertaking is Chevron International Exploration and Production Company Limited. The ultimate parent undertaking and controlling party is Chevron Corporation, a company incorporated in the United States of America.

Chevron Corporation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2023. The consolidated financial statements of Chevron Corporation are available from 1 Westferry Circus, Canary Wharf, London, E14 4HA.

Chevron Corporation is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Chevron Corporation can be obtained from 1 Westferry Circus, Canary Wharf, London, E14 4HA.