

CHEVRON TANKERS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022**



The company number is: 03884970

CHEVRON TANKERS LIMITED

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CHEVRON TANKERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report for Chevron Tankers Limited ('the Company') for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company's principal activity is to charter vessels to transport crude oil, refined petroleum products and other bulk cargoes to service the crude demands of Chevron's operations. Voyages are undertaken across a wide range of locations which include Africa, Asia, Europe and North America.

The Company's chartering activities are coordinated through offices in London, Singapore, Houston, and San Ramon.

REVIEW OF BUSINESS

The Company's profit before taxation for the financial year was \$44,564,000 (2021: profit of \$1,479,000), an increase of \$43,085,000 from the prior year. The improved profit before taxation was largely driven by higher earnings on the Short-Term Time Charter activity. The higher earnings were primarily due to an increase in freight rates and vessel demand driven by market volatility.

The year-on-year gross profit increased by \$43,920,000 primarily driven by the higher earnings on the Short-Term Time Charter activity. Administrative expenses increased by \$805,000 (2021: an increase of \$422,000).

No dividend is proposed for the year (2021: nil). The profit for the financial year which ended 31 December 2022 was \$41,067,000 (2021: profit of \$1,033,000). The net assets of the Company increased to \$95,058,000 (2021: \$53,991,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risk and uncertainty affecting the management of the business and the execution of the Company strategy are vessel safety issues. A range of stringent controls monitored by experienced marine assurance personnel are in place to ensure all chartered ships conform to the highest safety standards.

KEY PERFORMANCE INDICATORS:

The directors consider having safe operations and the operating profit and loss to be the key performance indicators for this Company. During 2022, there were no significant safety incidents in the Company. Year-on-year operating profit increased by \$43,115,000 (2021: profit increased by \$3,749,000) mainly due to improved earnings on Short-Term Time Charter activity.

RUSSIA / UKRAINE CONFLICT

Due to the ongoing Russia and Ukraine conflict which commenced in February 2022, Governments (including Russia) have imposed and may impose additional sanctions and other trade laws, restrictions and regulations that could lead to disruption to trade and product flows in the region around Russia and could have an adverse effect on the corporation's financial position. The financial impacts of such risks, including presently imposed sanctions, are not currently material for the corporation or Company; however, it remains uncertain how long these conditions may last or how severe they may become.

CHEVRON TANKERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

SECTION 172 STATEMENT:

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

This section of the strategic report comprises the Directors 172 Statement and statement on engagement with suppliers, customers and others.

As a wholly owned subsidiary of the Chevron Corporation, the Directors ensure that decisions are beneficial to all of the Company's stakeholders as well as having regard to the long-term sustainable success of the Chevron Group as a whole. The strategic aims of the Company are derived from those of the Chevron Group, which can be found in the Chevron Corporation 2022 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 our 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 2022, the directors did not make any decisions that were of a significant or a strategic nature per the Section 172 factors.

Employees

The Company does not have any direct employees. Employees are engaged through affiliated companies of Chevron Corporation.

CHEVRON TANKERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Business Relationships

The Company has business relationships with a number of external customers and suppliers in addition to wholly owned subsidiaries and affiliates of Chevron Corporation.

Customers:

The Company's success depends not only on meeting its customers' expectations today but anticipating them tomorrow, thereby enabling human progress. The Company use the latest technologies to deliver innovative solutions to its customers to power the world forward.

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 organization 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.

ON BEHALF OF THE BOARD

DocuSigned by:

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Matthew R Caddock

Director

Date: 28 September 2023

Chevron Tankers Limited
1 Westferry Circus
Canary Wharf
London E14 4HA

CHEVRON TANKERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements of the Company for the financial year ended 31 December 2022. These financial statements have been prepared under FRS 102.

FUTURE DEVELOPMENTS:

There are no other planned changes to the current principal activities of the Company and it is the intention of the directors that the Company will continue these activities for the foreseeable future.

DIVIDENDS:

No dividend is proposed for the year (2021: nil).

DIRECTORS:

The following directors held office during 2022 and up to the date of signing the financial statements:

- Philip D Cosgrove (resigned 27-03-2023)
- Matthew R Caddock
- Alan Adamson
- Barbara A Pickering
- Angela Antzoulidou (appointed 27-03-2023)

According to the register of directors' interests maintained under the Companies Act 2006, no rights to subscribe for shares in or debentures of the Company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

No director had at any time during the financial year any material interest in any contract with the Company of significance in relation to the Company's business.

BUSINESS RELATIONSHIPS

The directors have considered the need to foster the Company's business relationships with customers, suppliers, and others. These are included in the strategic report on page 4.

FINANCIAL RISK MANAGEMENT:

The Company's operations expose it to a variety of financial risks that include the effects of changes in market prices and credit risk.

Price risk

The Company is exposed to freight rate price risk as a result of its operations. Revenue is based on prevailing freight rates at the time of chartering tankers to customers.

Currency risk

The directors consider that the Company has a low exposure to currency risk. Sales and expenses are primarily denominated in US Dollars.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Turnover predominantly relates to sales made to Chevron group companies.

Liquidity risk

The directors consider that the Company is not exposed to any material liquidity risk as the Company's revenue is predominantly secured under various charter hire contracts and the Company has no external borrowings.

CHEVRON TANKERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Interest rate risk

The directors consider that the Company is exposed to interest rate risk on intercompany loans. This interest rate risk has not been hedged against.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

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

QUALIFYING THIRD PARTY INDEMNITY PROVISION

The Company maintains liability insurance for its directors and officers. The Company also provides an indemnity for its directors, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. This has been in effect throughout 2022 and up to the date of approval of the financial statements.

DONATIONS

No political or charitable donations were made during the year (2021: nil).

CHEVRON TANKERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The below statement contains the Company's annual energy consumption, associated relevant greenhouse gas emissions and additional relevant information, as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, for the year ended 31 December 2022.

The methodology applied to the calculation of Greenhouse Gas emissions is the 'GHG Protocol Corporate Accounting and Reporting Standard'. The Company has used the financial control approach for setting the boundary for GHG reporting and set a fixed base year of 2021.

In preparing this report the Company has followed the March 2019 UK Environmental Reporting Guidelines and used the 2022 UK Government's Conversion Factors for GHG emissions for freighting goods, energy usage purchased at company offices, and business travel mileage in the year.

Energy and GHG Emissions summary	2022	2021	
Total UK Energy use (Scope 1, 2 & 3)	100,227	91,595	kWh
Scope 1: Direct GHG emissions	33.755	0	MT CO ₂ e
Scope 2: Associated underlying GHG emissions - Energy use	19.382	19.448	MT CO ₂ e
Scope 3: Associated underlying GHG emissions - Business travel	0.469	0	MT CO ₂ e
Carbon Intensity ratio (Scope 1, 2 & 3)	1.469	0.564	MT CO ₂ e/FTE

The Company incurred Scope 1 (Direct) GHG emissions in 2022 relating to the activities of a Short-Term Time Charter that discharged part of its cargo at a UK port versus none reported in prior year.

Reported year on year Scope 2 (Energy Indirect) emissions for electricity usage decreased slightly in 2022. This was primarily because of a lower 'electricity generated' GHG conversion factor attributable for 2022, mostly offset by a higher usage due to increased headcount.

Scope 3 (Other Indirect) emissions: a resumption in business travel after the COVID-19 pandemic resulted in a year-on-year increase.

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

No energy efficiency measures were taken by the Company in 2022.

SECTION 172 STATEMENT

Stakeholder engagement has been considered and combined with the S172 statement in the strategic report.

CHEVRON TANKERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and financial statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

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

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

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

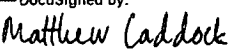
CHEVRON TANKERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

INDEPENDENT AUDITORS:

In accordance with Section 487(2) of the Companies Act 2006, a resolution to dispense with the obligation to appoint auditors annually has been passed. Accordingly, PricewaterhouseCoopers LLP continue in office as auditors, having expressed their willingness to do so.

ON BEHALF OF THE BOARD

DocuSigned by:

418475F6973D414...
Matthew R Caddock
Director
Date: 28 September 2023

Chevron Tankers Limited
1 Westferry Circus
Canary Wharf
London E14 4HA

CHEVRON TANKERS LIMITED

Independent auditors' report to the members of Chevron Tankers Limited

Report on the audit of the financial statements

Opinion

In our opinion, Chevron Tankers 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, 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.

CHEVRON TANKERS LIMITED

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

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

Based on 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 Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- gaining an understanding of the legal and regulatory framework applicable to the company;
- enquiry of management, those charged with governance and those responsible for legal and compliance matters, including the company's in-house legal function, to identify actual and potential litigation and claims and any known or suspected instances of non-compliance with laws and regulations and fraud;
- enquiry of staff in the company's tax function to identify any instances of non-compliance with laws and regulations;

CHEVRON TANKERS LIMITED

- 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;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and testing accounting estimates to address the risk of management bias.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 September 2023

CHEVRON TANKERS LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$'000	2021 \$'000
Continuing operations			
REVENUE	3	974,006	411,069
Cost of sales		<u>(922,091)</u>	<u>(403,074)</u>
GROSS PROFIT		51,915	7,995
Administrative expenses		<u>(7,275)</u>	<u>(6,470)</u>
OPERATING PROFIT	3, 4	44,640	1,525
Interest receivable and similar income		68	6
Interest payable and similar expenses		<u>(144)</u>	<u>(52)</u>
PROFIT BEFORE TAXATION		44,564	1,479
Tax on Profit	7	<u>(3,497)</u>	<u>(446)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>41,067</u>	<u>1,033</u>
Other comprehensive income		-	-
TOTAL PROFIT FOR THE YEAR		<u>41,067</u>	<u>1,033</u>

All turnover and expenditure derives entirely from continuing activities.


The notes on pages 16 to 25 form part of these financial statements.

CHEVRON TANKERS LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	2022 \$'000	2021 \$'000
FIXED ASSETS			
Tangible assets	8	1,176	1,631
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	253,355	118,794
CREDITORS: amounts falling due within one year	10	(159,473)	(66,434)
NET CURRENT ASSETS		<u>93,882</u>	<u>52,360</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>95,058</u>	<u>53,991</u>
NET ASSETS		<u>95,058</u>	<u>53,991</u>
CAPITAL AND RESERVES			
Called up share capital	11	101,000	101,000
Capital redemption reserve		48,150	48,150
Profit and loss account		(54,092)	(95,159)
TOTAL SHAREHOLDERS' FUNDS		<u>95,058</u>	<u>53,991</u>

The notes on pages 16 to 25 are an integral part of these financial statements.

The Financial Statements on pages 13 to 25 were approved by the Board of Directors on 28 September 2023 and signed on its behalf by:

DocuSigned by:

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Matthew R Caddock
DIRECTOR

Company number: 03884970

CHEVRON TANKERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up Share Capital \$'000	Capital Redemption Reserve \$'000	Profit and Loss Account \$'000	Total Shareholders' Funds \$'000
Balance at 1 January 2022	101,000	48,150	(95,159)	53,991
Profit for the financial year	-	-	<u>41,067</u>	<u>41,067</u>
Total comprehensive income for the year	-	-	<u>41,067</u>	<u>41,067</u>
Total transactions with owners recognised directly in equity	-	-	-	-
Balance at 31 December 2022	<u>101,000</u>	<u>48,150</u>	<u>(54,092)</u>	<u>95,058</u>

	Called up Share Capital \$'000	Capital Redemption Reserve \$'000	Profit and Loss Account \$'000	Total Shareholders' Funds \$'000
Balance at 1 January 2021	101,000	5,150	(96,192)	9,958
Profit for the financial year	-	-	<u>1,033</u>	<u>1,033</u>
Total comprehensive income for the year	-	-	<u>1,033</u>	<u>1,033</u>
Total transactions with owners recognised directly in equity	-	<u>43,000</u>	-	<u>43,000</u>
Balance at 31 December 2021	<u>101,000</u>	<u>48,150</u>	<u>(95,159)</u>	<u>53,991</u>

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION:

The Company charters vessels to transport crude oil, refined petroleum products and other bulk cargoes. The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 1 Westferry Circus, Canary Wharf, London, UK, E14 4HA.

2. ACCOUNTING POLICIES:

The following accounting policies have been consistently applied to all the years presented. The accounting policies deal with items which are considered material in relation to the Company's financial statements.

Basis of preparation

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

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

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

Cash Flow Statement and related notes:

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Chevron Corporation, includes the Company's cash flows in its own consolidated financial statements.

Related Party Disclosures

Under the provisions of FRS 102, the Company has not disclosed details of related party transactions with Chevron Corporation group entities as it is a wholly owned subsidiary of that group.

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

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

Revenue recognition

Revenue represents fees, exclusive of Value Added Tax, in respect of chartering vessels to transport crude oil, refined petroleum products, and other bulk cargoes on behalf of other Chevron companies. Revenue is recognised on an accruals basis so as to match costs incurred with revenues evenly over the term of the charters on all revenue streams.

Under FRS 102 paragraph 23 the Company is considered as principal in all its arrangements, including those with Tengizchevroil (TCO), where it has the primary responsibility in contracting with ship owners to agree freight rates and providing the service to the customer.

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED):

Employee benefits

(i) Short-term benefits

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

(ii) Pension arrangements

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

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. The Company uses vessels under time charter party contracts to transport crude oil, refined petroleum products and other bulk cargoes; the rental costs under these operating leases are charged on a straight-line basis over the lease terms.

Taxation

(i) Corporation Tax

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

(ii) Deferred taxation

In accordance with FRS 102, a full provision for deferred taxation is recognised on all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis and is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Tangible Assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. 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. Depreciation is not provided on assets under construction until they are brought into use.

The Company uses simulators at its Glasgow Mariner Training centre which are depreciated on a straight-line basis over 6 years per company policy.

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED):

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

Foreign currencies

The financial statements are presented in 'US Dollars' (\$), which is also the Company's functional currency.

Certain transactions of the Company during the year were affected in currencies other than U.S. Dollars. These transactions are translated into U.S. Dollars at the average exchange rates of the month in which the transactions took place. Monetary assets and liabilities denominated in other currencies are translated into dollars at the exchange rates as of the balance sheet date.

Realised and unrealised gains and losses arising from fluctuations in currency exchange rates during the year are included in cost of sales on the statement of comprehensive income for the year.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group under note 14.

Financial Instruments

Financial instruments are accounted for in accordance with section 11 of FRS 102.

Financial assets

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

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

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

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

Financial liabilities

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

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED):

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

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

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.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand and deposits held at call with banks. The Company is a participant in an internal cash pooling arrangement which is maintained by CNFBV.

Critical accounting estimates and assumptions

Management do not consider there to be any critical accounting estimates or judgements.

3. TURNOVER:

The directors consider that the Company has one principal activity as described in the directors' report.

The analysis of turnover by territory of origin is as follows:

	2022 \$'000	2021 \$'000
US	5,746	2,248
SINGAPORE	-	2,329
UK	<u>968,260</u>	<u>406,492</u>
	<u>974,006</u>	<u>411,069</u>

The analysis of operating profit by territory of origin is as follows:

	2022 \$'000	2021 \$'000
US	292	24
SINGAPORE	-	24
UK	<u>44,348</u>	<u>1,477</u>
	<u>44,640</u>	<u>1,525</u>

In the opinion of the directors the disclosure of geographical analysis of turnover & operating profit by destination would be seriously prejudicial to the interests of the Company and has therefore not been provided.

Net assets have not been analysed by region or territory as such disclosure would be seriously prejudicial to the interests of the Company.

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. OPERATING PROFIT:

	2022	2021
	\$'000	\$'000
Operating Profit before taxation is stated after charging/(crediting):		
Depreciation (Note 8)	455	288
Auditors' remuneration – audit services	152	136
Exchange loss/(gain)	55	(8)

The auditors did not receive any remuneration for non-audit services (2021: nil). Operating costs include charter hire, fuel and port costs. Operating lease expenses were \$178,881,000 (2021: \$71,744,000).

5. STAFF NUMBERS AND COSTS:

The related costs of staff who provide services to the Company are employed by Chevron Energy Limited. Chevron Products UK Limited processes the payroll and recharges to the Company. Included in staff costs is a net management charge with credit of \$1,758,000 (2021: \$956,000 credit) re-allocated to other Chevron Shipping companies in respect of staff costs for services provided.

	2022	2021
Staff Costs:	\$'000	\$'000
Wages and Salaries	2,388	2,372
Social Security	(98)	(52)
Other Expenses	1,210	499
Other Pension	(447)	(977)
	3,053	1,842

The Other Expenses represent labour burden benefits. These costs include medical insurance, savings investment plan, disability programs and other employment benefits.

The monthly average number of persons (including executive directors) who provide services to the Company or by other Chevron Shipping companies providing services to the Company during the year was:

	2022	2021
	Number	Number
Service & Commercial and Support & Management	33	32
	33	32

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

6. DIRECTORS' EMOLUMENTS:

	2022 \$'000	2021 \$'000
Aggregate amounts		
Emoluments of directors of Chevron Tankers Limited	2,518	1,568
Aggregate pension contributions paid under defined benefit schemes	145	153
	<u> </u>	<u> </u>

Retirement benefits are accruing for 4 directors under the Chevron UK Limited defined benefit scheme (2021: 4).

The highest paid director received emoluments of \$1,274,000 (2021: \$625,000) and accrued pension of \$28,000 (2021: \$31,000). 4 directors received emoluments in the year (2021: 4).

Compensation paid to directors for loss of office was \$nil (2021: \$nil).

7. TAX ON PROFIT:

	2022 \$'000	2021 \$'000
Current Tax:		
UK corporation tax on profit of the year	3,497	-
Adjustments in respect of previous years	-	446
Total current tax	<u>3,497</u>	<u>446</u>
Deferred tax:		
Total deferred tax	<u>-</u>	<u>-</u>
Tax on profit	<u>3,497</u>	<u>446</u>

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. TAX ON PROFIT (CONTINUED):

The standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below.

	2022 \$'000	2021 \$'000
Profit before taxation	44,564	1,479
Profit before taxation multiplied by effective rate in the UK 19% (2021: 19%)	8,467	281
Effects of:		
Accelerated capital allowances and other timing differences	(149)	(232)
Other Tax adjustment	-	950
Adjustments in respect of prior years	-	446
Utilisation of losses brought forward	(4,821)	(999)
Tax charge for the year	3,497	446

The Company has not recognised deferred tax assets of \$10,647,000 (net deferred tax asset in 2021: \$15,584,000) due to timing differences in the recognition of pension expenses and tax losses carried forward. These have been calculated at a corporation tax rate of 25% (2021: 25%) and have not been recognised based on uncertainty over future taxable profits.

Factors affecting current & future tax charges

The current rate of UK corporation tax of 19% has been taken for tax calculations. This rate increased to 25% on 1 April 2023 as enacted on 10 June 2021. The rate of 25% is therefore used for deferred tax calculations.

8. TANGIBLE ASSETS

	Marine Training Centre \$'000
Cost	
At 1 January 2022	5,648
Additions	-
Transfers	-
Disposals	-
At 31 December 2022	5,648
	\$'000
Accumulated Depreciation	
At 1 January 2022	4,017
Depreciation charge for the year	455
Disposals	-
At 31 December 2022	4,472
Net book value at 31 December 2022	1,176
Net book value at 31 December 2021	1,631

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:

	2022 \$'000	2021 \$'000
Trade debtors	11,561	5,330
Amounts owed by group undertakings	45,157	24,792
Amounts owed by undertakings in which the entity has a participating interest (Affiliate Receivable)	35,125	12,172
Prepayments and accrued income	161,512	76,500
	253,355	118,794

Amounts owed by group undertakings are unsecured, interest free and are settled as per corporate intercompany policy.

Amounts owed by affiliates are unsecured, interest free and are repayable within 30 days.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:

	2022 \$'000	2021 \$'000
Trade creditors	14,406	4,181
Amounts owed to group undertakings	18,509	3,484
Loans from group undertakings	15,617	6,858
Taxation and social security	1,852	530
Accruals	109,089	51,381
	159,473	66,434

Loans from other Chevron Corporation entities of \$15,617,000 (2021: \$6,858,000) relate to two separate loan arrangements with Chevron Netherlands Finance BV (CNFBV).

The USD denominated loan from CNFBV, a creditor of \$17,024,000 (2021: a creditor of \$6,820,000) is based on a daily cash sweep as part of the cash pooling arrangement. The interest rate is based on reference interest rates calculated using several variables.

The GBP denominated loan to CNFBV, a debtor of \$1,407,000 (2021: a creditor of \$38,000) is based on a daily cash sweep as part of the cash pooling arrangement. The interest rate is based on reference interest rates calculated using several variables.

Arrangements with CNFBV are considered by management to be due within one year because of the daily drawdowns from and transfers into the CNFBV pool arising from business needs.

Amounts owed to group undertakings are unsecured, interest free and are settled monthly.

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

11. CALLED UP SHARE CAPITAL:

	2022 \$'000	2021 \$'000
Authorised		
105,000 (2021: 105,000) ordinary shares of \$1,000 each	105,000	105,000
Allotted and fully paid		
101,000 (2021: 101,000) ordinary shares of \$1,000 each	101,000	101,000

12. COMMITMENTS:

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 \$'000	2021 \$'000
Payments due for vessel leaseholds:		
Not later than one year	227,220	69,229
Later than one year and not later than five years	93,882	118,072
Later than five years	-	-
	321,102	187,301

13. RELATED PARTY TRANSACTIONS:

During the year, the Company made sales to one related party. This related party is a joint venture of Chevron Corporation. The Company recognises revenue on vessel hire costs, bunker costs and port costs rebilled to the related party during the year.

	Sales to related parties	
	2022 \$'000	2021 \$'000
Tengizchevroil	759,141	292,289

Details of amounts owed by related parties are provided for in note 9 to the financial statements under 'amounts owed by affiliates.'

Other than the transactions disclosed above, the Company's other related party transactions were with wholly owned subsidiaries and so have not been disclosed.

CHEVRON TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

14. ULTIMATE PARENT COMPANY:

The Company is a wholly owned subsidiary of Chevron Transport Corporation Limited, which is registered in Bermuda. The ultimate parent and controlling company is Chevron Corporation, incorporated in the State of Delaware, USA.

The largest and smallest group in which the results of the Company are consolidated is that headed by Chevron Corporation, whose principal place of business is at 6001 Bollinger Canyon Road, San Ramon, CA 94583, USA.

The consolidated financial statements of Chevron Corporation are available to the public and may be obtained from the above address.