

Registration number: 00145197

Valero Energy UK Ltd

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Valero Energy UK Ltd

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Director's responsibilities in respect of the Annual Report and Financial Statements	4
Independent Auditor's Report to the members of Valero Energy UK Ltd	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 15

Valero Energy UK Ltd

Company Information

Directors	M A Dooley N E V Roberts
Company secretary	Law Debenture Corporate Services Limited
Registered office	Fifth Floor 100 Wood Street London EC2V 7EX
Auditor	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL

Valero Energy UK Ltd

Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of the company is to provide finance to its parent company under a term loan facility on which it earns interest. In addition the company holds certain legal cost provisions and a receivable relating to these legal cost provisions.

Fair review of the business

The turnover for the year was £Nil (2017 £27,626,000) due to the company previously ceasing its jet fuel trading activity on 30 March 2017 where the 21% interest it held in West London Pipeline and Storage Limited was transferred at book value to Valero Energy Ltd. The company made a profit for the year of £2,856,000 (2017: profit of £2,681,000) primarily due to interest received on the term loan facility provided to its parent company, Valero Energy Ltd. The net assets of the company were £126,659,000 at 31 December 2018 (£123,803,000 at 31 December 2017).

Key performance indicators

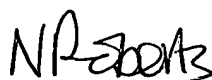
Given the straightforward nature of the business, the directors are of the opinion that analysis of the company's financial statements using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are as follows:

- Political risk - Brexit may adversely impact the company, however the uncertainties surrounding the UK leaving the European Union mean the directors are unable to quantify exactly the likely effects at the date of this report. Together with other Valero group companies in the UK, the company has put in place various contingency plans based on possible Brexit scenarios.
- Financial risk - The company faces a number of financial risks which are managed as part of the Valero group's risk management objectives and policies. The company does not hedge any of these risks.
- Liquidity and cashflow risk - The Valero group actively monitors the company's funding requirements, ensuring that sufficient funds are available for its operations and manages any appropriate financing arrangements.

Approved by the Board on 23 July 2019 and signed on its behalf by:



N E V Roberts
Director

Valero Energy UK Ltd

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the company

The directors who held office during the year were as follows:

M E Loeber (resigned 23 July 2018)

M A Dooley (appointed 1 June 2018)

N E V Roberts

Directors liabilities

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, and was in force throughout the period and up until the date of this report.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for at least one year from the date of signing of these financial statements.

Results and dividends

The company's profit after taxation for the year was £2,856,000 (2017: profit of £2,681,000). Retained profits transferred to reserves at 31 December 2018 were £2,856,000 (2017: retained profit of £2,681,000).

No dividends were declared or paid during 2018 (2017: £Nil).

Financial Instruments

The company's financial instruments consist of non-derivative financial instruments which are trade and other receivables, loans and borrowings and trade and other payables. The main purpose of the financial instruments are to provide working capital for the company's continuing activities and providing funding for future activities.

Political donations

The company did not make any political donations or incur any political expenditure during the year (2017: £Nil).

Disclosure of information to the auditor

As far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Relevant audit information is information needed by the company's auditor in connection with preparing their report. Each director has 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 auditor is aware of that information.

Reappointment of auditor

Pursuant to Section 487 (2) of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 23 July 2019 and signed on its behalf by:



N E V Roberts

Director

Valero Energy UK Ltd

Statement of Director's responsibilities in respect of the Annual Report and Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of Valero Energy UK Ltd

Opinion

We have audited the financial statements of Valero Energy UK Ltd ("the company") for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the members of Valero Energy UK Ltd

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

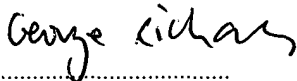
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body for our audit work, for this report, or for the opinions we have formed.



.....
George Richards (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

23 July 2019

Valero Energy UK Ltd

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Turnover	3	-	27,626
Cost of sales		<u>-</u>	<u>(27,493)</u>
Gross profit		-	133
Operating expenses		<u>37</u>	<u>(210)</u>
Operating profit/(loss)		37	(77)
Other interest receivable and similar income	4	<u>3,492</u>	<u>2,938</u>
Profit before tax		3,529	2,861
Taxation	7	<u>(673)</u>	<u>(180)</u>
Profit for the financial year		<u>2,856</u>	<u>2,681</u>

The company has no other comprehensive income for the year other than the results above.

Valero Energy UK Ltd

(Registration number: 00145197)

Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Current assets			
Debtors	9	<u>142,038</u>	<u>141,668</u>
		142,038	141,668
Creditors: Amounts falling due within one year	10	<u>(5,967)</u>	<u>(6,645)</u>
Net current assets		136,071	135,023
Provisions for liabilities	12	<u>(9,412)</u>	<u>(11,220)</u>
Net assets		<u>126,659</u>	<u>123,803</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
Other reserves		1,457	1,457
Retained earnings		<u>25,202</u>	<u>22,346</u>
Total equity		<u>126,659</u>	<u>123,803</u>

Approved and authorised by the Board on 23 July 2019 and signed on its behalf by:



N E V Roberts
Director

Valero Energy UK Ltd

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	<u>100,000</u>	<u>1,457</u>	<u>22,346</u>	<u>123,803</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>2,856</u>	<u>2,856</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>2,856</u>	<u>2,856</u>
At 31 December 2018	<u><u>100,000</u></u>	<u><u>1,457</u></u>	<u><u>25,202</u></u>	<u><u>126,659</u></u>

	Share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2017	<u>100,000</u>	<u>1,457</u>	<u>19,665</u>	<u>121,122</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>2,681</u>	<u>2,681</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>2,681</u>	<u>2,681</u>
At 31 December 2017	<u><u>100,000</u></u>	<u><u>1,457</u></u>	<u><u>22,346</u></u>	<u><u>123,803</u></u>

Valero Energy UK Ltd

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private limited company incorporated in England and Wales.

The address of its registered office is:
Fifth Floor
100 Wood Street
London
EC2V 7EX

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102").

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentation currency of these financial statements is £ sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for at least one year from the date of signing these financial statements.

Judgements

Significant estimates and judgements are based on management's review of the most likely outcome, having given consideration to current statutory and contractual requirements, at the reporting date. Estimated liabilities are based on management's view of the company's most probable cost of meeting these obligations. Actual costs can differ from estimates due to future changes in legislation, market conditions and other factors.

Summary of disclosure exemptions

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, Valero Energy Corporation, incorporated in the USA, includes the company's cashflows in its own consolidated financial statements. These financial statements are available upon request and can be obtained from One Valero Way, San Antonio, Texas 78249, USA.

Additionally the company has taken advantage of the exemption in Financial Reporting Standard 102 paragraph 33.1a 'Related party transactions' and not disclosed transactions with other members of the group.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue from petroleum product sales when title has transferred to the buyer, together with the risks and rewards of ownership. Any other revenue is recognised at the point at which risks and rewards are transferred to the buyer, in line with the appropriate contract terms.

Valero Energy UK Ltd

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Investments

Investments in equity shares are measured at cost less impairment. A review for the potential impairment of an investment is carried out if events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. Such impairment reviews are performed in accordance with financial reporting standards. Impairments thus arising are recorded in the profit and loss account.

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Provisions

A provision is recognised in the Balance Sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

Financial Instruments

Investments in jointly controlled entities and associates are carried at cost less impairment.

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018	2017
	£ 000	£ 000
Sale of goods	<u>-</u>	<u>27,626</u>

Valero Energy UK Ltd

Notes to the Financial Statements for the Year Ended 31 December 2018

4 Other interest receivable and similar income

	2018 £ 000	2017 £ 000
Interest receivable and similar income	<u>3,492</u>	<u>2,938</u>

Interest is earned from a loan that Valero Energy UK Ltd provides to its parent company, Valero Energy Ltd.

5 Auditor's remuneration

	2018 £ 000	2017 £ 000
Audit of the financial statements	<u>13</u>	<u>13</u>

6 Directors' remuneration

None of the directors received any remuneration from the company during the year (2017: nil).

7 Income tax

a) Tax expense included in profit or loss

The tax charge/(credit) is based on the profit for the year and represents:

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax on profits for the year	660	551
Adjustment in respect of prior periods	<u>13</u>	<u>13</u>
Total current tax	<u>673</u>	<u>564</u>
Deferred taxation		
Origination and reversal of timing differences	9	0
Deferred tax impact of assets transferred to Valero Energy Ltd	-	(373)
Adjustment in respect of prior periods	<u>(9)</u>	<u>(11)</u>
Total deferred taxation	<u>-</u>	<u>(384)</u>
Tax on profit on ordinary activities	<u><u>673</u></u>	<u><u>180</u></u>

Valero Energy UK Ltd

Notes to the Financial Statements for the Year Ended 31 December 2018

7 Income tax (continued)

The tax charge of £673k is in respect of losses that have been claimed from other group companies in exchange for consideration.

b) Reconciliation of tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) for the year ended 31 December 2018 of 19% (2017 - 19.25%).

The differences are explained as follows:

	2018 £ 000	2017 £ 000
Profit on ordinary activities before tax	<u>3,529</u>	<u>2,861</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (31 Dec 2017: 19.25%)	670	551
Effect of:		
Deferred Tax impact of assets transferred to Valero Energy Ltd	-	(373)
Adjustments in respect of prior periods	4	2
Current/Deferred tax rate differential	<u>(1)</u>	<u>0</u>
Total current tax (credit)/charge for the year	<u>673</u>	<u>180</u>

c) Tax rate changes

There will be a tax rate decrease to 17% from 1 April 2020.

8 Investments in joint ventures and associates

Details of undertakings

Although the beneficial interest in all the JV shareholdings was transferred to Valero Energy Ltd on 1 January 2014, Valero Energy UK Ltd continues to hold the legal title of the shareholding on behalf of Valero Energy Ltd pending legal transfer of the following shareholdings:

Aviation Fuel Services Limited
Stansted Into plane Company Limited
Gatwick Airport Storage and Hydrant Company Limited
Heathrow Airport Fuel Company Limited
Heathrow Hydrant Operating Company Limited
Stansted Fuelling Company Limited

9 Debtors

	2018 £ 000	2017 £ 000
Trade debtors	-	4
Loan owed by parent (see note below)	130,840	127,348
Amounts owed by parent	1,565	1,579
Amounts owed by group undertakings	221	517
Other receivable	<u>9,412</u>	<u>12,220</u>
	<u>142,038</u>	<u>141,668</u>

Valero Energy UK Ltd

Notes to the Financial Statements for the Year Ended 31 December 2018

9 Debtors (continued)

The company has advanced a loan under a term loan facility to its parent company, Valero Energy Ltd. Interest accrues quarterly at a rate of 3 month sterling LIBOR plus a margin of 2%. The loan is repayable on demand.

Amounts owed by parent and group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 Creditors: Amounts falling due within one year

	Note	2018 £ 000	2017 £ 000
Amounts owed to group undertakings		4,822	441
Accrued expenses		13	1,014
Income tax liability	7	1,132	5,135
Other current financial liabilities		-	55
		<u>5,967</u>	<u>6,645</u>

Amounts owed to parent and group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Share capital

Allotted, called up and fully paid shares

	No. 000	2018 £ 000	No. 000	2017 £ 000
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Rights, preferences and restrictions

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the company.

12 Provisions

	£ 000
At 1 January 2018	11,220
Provisions used	(865)
Decrease in existing provisions	<u>(943)</u>
At 31 December 2018	<u>9,412</u>

The provisions are composed of estimated liabilities relating to the Pembroke refinery. The information required by FRS 102 is not disclosed because to disclose the amounts unused on the settlement of certain civil claims may prejudice the outcome of other claims. The provision is expected to be reimbursable by the previous owner of the company and an asset of £9,412,000 has been recognised for the expected reimbursement.

Valero Energy UK Ltd

Notes to the Financial Statements for the Year Ended 31 December 2018

13 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2017 - £Nil).

14 Financial instruments

The analysis of the carrying amounts of the financial instruments of the group required under section 11 of FRS 102 is as follows.

Financial assets that are debt instruments measured at amortised cost

	Note	2018 £000	2017 £000
Trade debtors	9	-	4
Loans owed by parent	9	130,840	127,348
Amounts owed by parent	9	1,565	1,579
Amounts owed by group undertakings	9	221	517
Other receivable	9	9,412	12,220
		<u>142,038</u>	<u>141,668</u>

The company has advanced a loan under a term loan facility to its parent company, Valero Energy Ltd. Interest accrues quarterly at a rate of 3 month sterling LIBOR plus a margin of 2%. The loan is repayable on demand.

Amounts owed by parent company and group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Financial liabilities that are debt instruments measured at amortised cost

	Note	2018 £000	2017 £000
Amounts owed to group undertakings	10	<u>4,822</u>	<u>441</u>

Amounts owed to parent company and group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Parent and ultimate parent undertaking

The company's immediate parent undertaking is Valero Energy Ltd, incorporated in England and whose principal place of business is at 1 Westferry Circus, Canary Wharf, London, E14 4HA.

The ultimate parent undertaking and controlling party is Valero Energy Corporation (incorporated in the State of Delaware, USA) which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The consolidated financial statements of Valero Energy Corporation are available to the public and may be obtained from One Valero Way, San Antonio, Texas 78249, USA.

16 Subsequent Events

On 6 June the company incurred a fine of £5 million plus £1 million in costs in respect of the explosion and loss of life that occurred at Pembroke refinery on 2 June 2011. The company has been fully indemnified for this expenditure by its previous owner, Chevron Global Energy Inc. The financial statements have been adjusted for these amounts.