Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Annual Report

Directors

J Allison

D C McConnell

Company Secretary

B Zaza

Registered Office

1 Westferry Circus,
Canary Wharf,
London, E14 4HA

Independent Auditors

PKF Littlejohn LLP
Chartered Accountants
and Statutory Auditors
15 Westferry Circus
London, E14 4HD

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Strategic report for the year ended 31 December 2024

The directors have pleasure in submitting their strategic report of the Company for the year ended 31 December 2024.

Business review and principal activities

The Company is one of Chevron Corporation's (Chevron) captive insurance companies. Its last active policy expired on 31 December 2019.

Gross and net premium written during the year was USD nil (2023: USD nil).

The total technical result for the year was a loss of USD 255,000 (2023: USD 201,000). The loss in both years was because there was no technical income. The last insurance contract expired 31 December 2019.

Investment income for the year was USD 426,000 (2023: USD 1,072,000). The decrease is mainly due to a decrease in the balance of cash and investments following a distribution of USD 20,000,000 to the parent in December 2023.

The results for the year show a profit on ordinary activities before tax of USD 169,000 (2023: profit of USD 890,000). The tax charge for the year was USD 88,000 (2023: USD 148,000).

The net asset position of the Company remains strong at the year-end at USD 17,175,000 (2023: USD 17,094,000).

During 2023, the Company received permission from the Prudential Regulation Authority (PRA) to return shareholder capital to the Company's direct parent, Heddington Insurance Limited (a Bermuda regulated insurance entity). The amount of share capital returned to Heddington Insurance Limited was USD 20,000,000.

Strategy and future outlook

The Company has no active contracts of insurance. The Company's business plan does not contemplate executing any new contracts of insurance in the future.

The Company continues to monitor developments regarding its legacy insurance contracts. The Company believes the likelihood of future claims to be low, given the nature of the contracts. However, should a claim occur, the Company will engage with the required internal and external advisors to ensure that claims are serviced in a manner consistent with all relevant legal and regulatory environments.

The Company is looking for ways to simplify the run-off of its insurance business. A key element of the strategy is to explore ways to remove the remaining insurance risk from its books. Heddington is pursuing a strategy in which the legacy insurance contracts with affiliated companies are cancelled using a strategy of commutations, policy buybacks, policy replacement and Part VII transfers where required. The Company plans to transfer the risk relating to its legacy contracts by 2026.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Strategic report for the year ended 31 December 2024 (continued)

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies procedures and internal controls. All policies are subject to corporate approval and ongoing review. The underwriting and reinsurance strategies are given board approval and communicated clearly through policy guidelines. The Company has developed a framework for identifying the risks that each business sector is exposed to and their impact on economic capital. The process includes principles to manage its Own Risk Solvency Assessment (ORSA), as outlined by the guidance provided under Solvency II. This process is used both to manage the Company's capital requirements and to ensure that the Company has the financial strength and capital adequacy to support the ongoing business and to meet the requirements of policyholders and relevant regulations.

The principal risks from our general insurance business are latent claims that could develop from the Company's legacy insurance contracts; inclusive of fluctuations in timing, frequency and severity of claims compared to our expectations. These risks are discussed in Note 5 of the financial statements.

In addition, the Company is exposed to financial risks arising primarily from the investments that are held. These risks are discussed in Note 6 of the financial statements.

The impact of climate change and the related sustainability issues form an integral part of the directors' review 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. Management has assessed the potential impact of climate change and considers the risk to not be material to the Company's financial statements.

Key Performance Indicators ('KPI's)

The Company actively evaluates its financial performance. In 2024 the Company incurred a net loss from continuing operations in the technical account of USD 255,000 (2023 – USD 201,000). There have been no new claims. The technical provisions (net of reinsurance) have reduced by USD 4,000 during 2024 (2023 - USD 30,000), which has had an impact of reducing the loss in the technical account. Operating expenses (2024 – USD 259,000; 2023 - USD 231,000) continue to be low.

In addition, the Company earned net investment income which contributed approximately USD 426,000 (2023 – USD 1,072,000). Net investment income exceeded the net loss from continuing operations.

The Company believes that future income derived from investments, as well as the current level of capital in excess of reserves, will be adequate to service the Company's ongoing insurance obligations and operating expenses.

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 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 2024 Annual Report at https://www.chevron.com/annual-report. The Chevron Group internally organizes its activities principally along business and function lines and transacts its business through legal entities. This organization 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.

Going Concern Assessment

The Company has assessed operations from a going concern perspective based on the ratio of assets held compared to insurance liabilities and expected future expenses. The Company considers the current holdings in cash of approximately USD 11.3 million (2023: USD 11.2 million) are more than adequate both to pay for future insurance claims, currently valued at USD 43,000 (2023: USD 48,000) and to fund operating expenses going forward. Therefore, the Company expects to meet its future liabilities and expenses and to continue as a going concern. Heddington is pursuing a strategy in which the legacy insurance contracts with affiliated companies are cancelled using a strategy of commutations, policy buybacks, policy replacement and Part VII transfers where required. The Company plans to cancel or transfer the risk relating to its legacy contracts in 2026. The Company is currently exploring alternatives.

Based on current financial results and the latest future projections, the Directors believe that the future operations of the Company will be sufficient to ensure the future capital position of the Company is preserved, and to provide adequate financial resources to meet the future financial obligations of the Company as they become due.

The financial impacts of such risks, including presently imposed sanctions, are not currently material for the Company; however, it remains uncertain how long these conditions may last or how severe they may become.

Principal decisions

Other than the return of USD 20 million of share capital to the parent, as described above, no significant decisions were made in 2024 and in 2023.

Employees

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

Business Relationships

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

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.

The Company has no customers.

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.

Approved by order of the Board

J Allison
Director

1 Westferry Circus
Canary Wharf
London, E14 4HA

Date 12 September 2025

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Directors' report for the year ended 31 December 2024

The directors have pleasure in submitting their annual report and the audited financial statements of the Company for the year ended 31 December 2024.

Future developments

Future developments in the business of the Company are discussed in the strategic report.

Dividends

No dividend has been proposed for 2024 (2023: USD Nil).

Directors

The directors, who held office throughout the year, and up to the date of signing the financial statements, are named on page 1, which forms part of this report.

Financial instruments and risk management

Information on the use of financial instruments by the Company and its management of financial risk is disclosed in Note 6 to the financial statements. In particular, the Company's exposure to market risk, credit risk and liquidity risk are separately disclosed in that note. The Company's exposure to cash flow risk is addressed under the headings of 'Credit risk', 'Liquidity risk' and 'Market risk'.

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of this report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report for the year ended 31 December 2024

Statement of directors' responsibilities in respect of the financial statements

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

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial 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.

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

Independent auditors

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

Qualifying third party indemnity provisions

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

Approved by order of the board.

J Allison
Director

1 Westferry Circus
Canary Wharf
London, E14 4HA

12 September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEDDINGTON INSURANCE (U.K.) LIMITED

Opinion

We have audited the financial statements of Heddington Insurance (U.K.) Limited (the 'company') for the year ended 31 December 2024 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and FRS 103 *Insurance Contracts* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the company's ability to continue as a going concern;
- Reviewing the historical accuracy of the company's forecasting process, including the consideration of post year-end performance;
- Challenging the appropriateness of the directors' key assumptions in their future performance forecasts and considering the existence of contradictory evidence in relation to key assumptions;
- Evaluating the directors' going concern assessment which covers a period for at least 12 months from the approval of the financial statements in forming their conclusion on going concern;
- Reviewing management plans to transfer their insurance risk contracts, including assessing the reasonableness of the timelines proposed and the impact on going concern. This includes reviewing board minutes, legal correspondence and regulatory correspondence;

- Reviewing the company's current capital position and inspecting the company's Own Risk and Solvency Assessment to assess its solvency under stressed conditions;
- Evaluating the appropriateness of the directors' disclosures in the financial statements on 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.

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

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	US$172,000
Basis for determining materiality	1% of net assets
Rationale for benchmark applied	In determining our materiality, we have considered financial metrics which we believe to be relevant to the primary users of the financial statements. Given the company is a captive insurer in run-off, the company's primary goal is to meet its existing obligations (e.g., insurance claims) rather than generate new revenue. We concluded net assets to be the most relevant benchmark to the users of the financial statements.

We use a different level of materiality ('performance materiality ') to determine the extent of our testing for the audit of the financial statements. Performance materiality is based on the materiality for the financial statements as a whole as adjusted for the judgments made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This was set at US$120,000, being 70% of the materiality for the financial statement as a whole.

We agreed with those charged with governance that we would report to them all errors or misstatements identified during our audit above US$8,600, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to those charged with governance on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Our approach to the audit

We have performed our audit in accordance with our materiality and risk assessment, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

In particular, we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain. These areas included:

- Valuation of the Incurred But Not Reported (IBNR) component of claims outstanding provision: we assessed this as significant risk and key audit matter. The details relating to the key audit matter are provided in the next section of our audit report.
- Management override of the system of internal controls, including, amongst other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We performed a combination of tests of details and substantive analytical procedures, including obtaining direct confirmations from third parties where we considered it to be necessary to address the risks of material misstatement for financial statement line items.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Valuation of the IBNR component of claims outstanding provision	
The Incurred But Not Reported (IBNR) provision represents the most significant area of judgement for an insurance company in run-off. The provision is inherently subjective, especially for UK Employers' Liability (EL) business, where claim reporting lags can be long and the estimation process is complex, and the selection of the methodology or assumptions applied to determine the provision are areas susceptible to management bias. **We consider the valuation of IBNR a key audit matter because of the complexity involved in the estimation process, the significant judgements that the company makes in determining the balance and the high degree of estimation uncertainty associated with the outcome.** **Refer to Note 3 (Summary of significant accounting policies), Note 4 (Critical accounting judgements and estimation uncertainty) and Note 14 (Claims provisions).**	Our work in this area included: • Obtaining an understanding of the IBNR reserving process and key controls; • Assessing the design and implementation of key controls identified from the reserving process; • Reviewing the data provided by management to their actuaries and ensuring this agrees to the audited information; • Reviewing the reasonableness of the methodologies and assumptions adopted by management in estimating the IBNR provision with assistance from our internal actuaries, and assessing the IBNR provision with management's booked provision; • Performing retrospective review of prior period estimates to assess possible management bias; • Reviewing management information, legal correspondence and regulatory correspondence to identify if there are any open or newly reported claims and to identify any emerging risks or regulatory expectations; and • Reviewing the financial statements disclosures to ensure they are in accordance with the financial reporting framework. **Conclusion:**

	We have concluded that the methodology and key assumptions used in the calculation of the IBNR reserves are reasonable.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

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 and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and cumulative experience of the insurance sector. We also noted that the company ceased accepting all new business and renewals in 2019 and is undertaking an orderly run-off of its activities.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Financial Conduct Authority (FCA) rules, Prudential Regulation Authority (PRA) rules, the Companies Act 2006 and relevant tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
    - making enquiries of management;
    - reviewing the minutes of meetings of those charged with governance;
    - reviewing legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations; and
    - reviewing regulatory correspondence.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to:
    - the testing of journals based on risk criteria and evaluating the business rationale and obtaining supporting evidence;
    - reviewing accounting estimates for evidence of bias; and
    - evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Other matters which we are required to address

We were appointed by Board of Directors on 4 December 2024 to audit the financial statements for the year ended 31 December 2024 and subsequent financial periods. Our total uninterrupted period of engagement is one year, covering the year ended 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to those charged with governance.

Use of our report

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.

TCE Seaman

Thomas Seaman (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 12 September 2025

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Profit and Loss Account for the year ended 31 December 2024

		Note	2024 $000	2023 $000
TECHNICAL ACCOUNT - GENERAL BUSINESS				
Total technical income			0	0
Claims incurred, net of reinsurance				
Claims paid	- gross amount		0	0
	- reinsurers' share		0	0
Net claims paid			0	0
Change in the provision for claims	- gross amount		(5)	(37)
	- reinsurers' share		1	7
Net change in the provision for claims			(4)	(30)
Claims incurred, net of reinsurance			(4)	(30)
Net operating expenses		8	259	231
Total technical charges			255	201
BALANCE ON THE TECHNICAL ACCOUNT FOR GENERAL BUSINESS			(255)	(201)
Attributable to	- continuing operations		(255)	(201)

The accompanying notes are an integral part of these financial statements.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Profit and Loss Account for the year ended 31 December 2024 (continued)

	Note	2024 $000	2023 $000
NON-TECHNICAL ACCOUNT			
Balance on the general business technical account		**(255)**	**(201)**
Investment income	10	**426**	**1,072**
Investment expenses and charges	10	**(2)**	**(2)**
Unrealised gains on investments	10	**0**	**0**
Other charges, including value adjustments	8	**0**	**21**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		**169**	**890**
Tax charge on profit on ordinary activities	11	**(88)**	**(148)**
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		**81**	**742**

The accompanying notes are an integral part of these financial statements.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Balance Sheet as at 31 December 2024

	Note	2024 $000	2023 $000
ASSETS			
REINSURERS' SHARE OF TECHNICAL PROVISIONS			
Claims outstanding	4, 14, 15	5	6
		5	6
DEBTORS			
Debtors due from group companies	12, 17	6,180	6,150
		6,180	6,150
OTHER ASSETS			
Cash at bank and in hand	17	11,236	11,201
PREPAYMENTS			
Other Prepayments		41	115
TOTAL ASSETS		17,462	17,472

The accompanying notes are an integral part of these financial statements.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Balance Sheet as 31 December 2024 (continued)

	Note	2024 $000	2023 $000
LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	13	**10,000**	**10,000**
Profit and loss account		**7,175**	**7,094**
Total shareholders' funds		**17,175**	**17,094**
TECHNICAL PROVISIONS			
Claims outstanding	4, 14, 15	**43**	**48**
		43	**48**
CREDITORS			
Amounts currently due:			
Other creditors including taxation and social security		**0**	**51**
Amounts due in more than one year:			
Creditors arising out of reinsurance operations	16	**100**	**100**
		100	**151**
ACCRUALS AND DEFERRED INCOME		**144**	**179**
TOTAL EQUITY AND LIABILITIES		**17,462**	**17,472**

The financial statements set out on pages 16 to 45 were approved by the Board of Directors on 12 September 2025 and have been signed on its behalf by:

J Allison
Director

The accompanying notes are an integral part of these financial statements.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Statement of changes in equity for the year ended 31 December 2024

	Called up Share Capital $000	**Profit and Loss Account** $000	**Total Shareholders' Funds** $000
Balance as at 1 January 2023	**30,000**	**6,352**	**36,352**
Return of Share Capital	**(20,000)**	**0**	**(20,000)**
Profit for the year	**0**	**742**	**742**
Balance as at 31 December 2023	**10,000**	**7,094**	**17,094**
Balance as at 1 January 2024	**10,000**	**7,094**	**17,094**
Profit for the year	**0**	**81**	**81**
Balance as at 31 December 2024	**10,000**	**7,175**	**17,175**

The accompanying notes are an integral part of these financial statements.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England
Notes to the financial statements
for the year ended 31 December 2024

1. General information

Heddington Insurance (U.K.) Limited ('the Company') transacts general insurance business in the UK. The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 1 Westferry Circus Canary Wharf London, E14 4HA.

The immediate parent undertaking is Heddington Insurance Limited which is incorporated in Bermuda. The ultimate parent undertaking and controlling party is Chevron Corporation, which is incorporated in the state of Delaware, USA. This is the largest and smallest group to consolidate these financial statements. Copies of Chevron Corporation consolidated financial statements can be obtained from 6001 Bollinger Canyon, San Ramon, California 94583, USA.

2. Statement of compliance

The Financial statements of Heddington Insurance (U.K.) Limited have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102, ''The Financial Reporting Standard applicable in the UK and the Republic of Ireland'', FRS 103, "Insurance Contracts" and the Companies Act 2006. The financial statements have been prepared in compliance with the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

3. Summary of significant accounting policies

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.

a. Basis of preparation

The preparation of financial statements in conformity with FRS 102 and FRS 103 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

b. Going concern

Having assessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Refer to the "Going Concern Assessment" section of the Strategic Report (page 5) for additional discussion.

3. Summary of significant accounting policies (continued)

c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions:

i) from preparing a statement of cash flows, on the basis that the Company is consolidated at the Chevron group level and meets the requirements of the exemption.

ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

d. Foreign currencies

Items included in Heddington Insurance (U.K.) Limited's financial statements are measured and presented using the currency of the primary economic environment in which it operates, which is the US Dollar. Heddington Insurance (U.K.) Limited's functional currency is the US Dollar. All Sterling transactions are translated to US dollars at the rate of exchange on the date of the transaction. Monetary assets and liabilities held in Sterling are translated to US dollars at rates of exchange ruling at the end of the year.

Where non-US dollar currency assets held do not match non-US dollar currency liabilities any resultant gain or loss on mismatching is reported in the profit and loss account.

e. Offsetting of assets and liabilities.

Assets and liabilities, or income and expenses have not been offset unless required or permitted by FRS.

f. Insurance contracts

All classes of insurance business written by the Company are designated as insurance contracts and are accounted for on an annual basis.

i) Claims incurred

Claims incurred comprise claims and related expenses paid in the year and changes in the provision for outstanding claims, including provisions for claims incurred but not reported and related expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries.

3. Summary of significant accounting policies (continued)

f. Insurance contracts (continued)

ii) Claims provisions and related reinsurance recoveries

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company. The estimated cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of salvage and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established.

Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility. In calculating the estimated cost of unpaid claims, the Company uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in Company processes which might accelerate or slow down the development and/or recording of paid or incurred claims compared with the statistics from previous periods
- changes in the legal environment
- the effects of inflation
- changes in the mix of business
- impact of large losses
- movements in industry benchmarks

A component of these estimation techniques is usually the estimation of the cost of notified but not paid claims. In estimating the cost of these claims the Company considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods.

Large claims impacting each relevant business class are generally assessed separately, being measured on a case-by-case basis, or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims.

3. Summary of significant accounting policies (continued)

f. Insurance contracts (continued)

(ii) Claims provisions and related reinsurance recoveries (continued)

The most appropriate estimation technique is selected considering the characteristics of the business class and the extent of the development of each accident year.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provisions and having due regard to collectability.

Liability claims

Liability claims are longer tail than the class of business described above and so a larger element of the claims provision relates to incurred but not reported claims. Claims estimates for the Company's liability business are derived from a combination of loss ratio-based estimates and an estimate based upon actual claims experience using a predetermined formula whereby greater weight is given to actual claims experience as time passes. The initial estimate of the loss ratio based on the experience of previous years adjusted for factors such as premium rate changes and claims inflation, and on the anticipated market experience, is an important assumption in this estimation technique. The assessment of claims inflation and anticipated market experience is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. This class of business is also subject to the emergence of new types of latent claims but given the uncertainty of when these claims will develop no allowance is included for this as at the balance sheet date.

Pollution claims

There may be a long delay between the occurrence and notification of these types of claims. In estimating the cost of claims the Company considers the type of risks written historically that may give rise to exposure to these risks, notifications received from policyholders, the nature and extent of the cover provided, the current legal environment, changes in the effectiveness of clean up techniques and industry benchmarks of the typical cost of claims of this kind and of total expected insured losses.

Reinsurance recoveries

The amounts that will be recoverable from reinsurers are based upon gross provisions, having due regard to collectability. Reinsurance recoveries in respect of estimated claims incurred but not reported are assumed to be consistent with the historical pattern of such recoveries, adjusted to reflect changes in the nature and extent of the Company's reinsurance programme

3. Summary of significant accounting policies (continued)

f. Insurance contracts (continued)

(ii) Claims provisions and related reinsurance recoveries (continued)

over time. An assessment is also made of the recoverability of reinsurance recoveries having regard to market data on the financial strength of each of the reinsurance companies.

(iii) Deferred acquisition costs

Acquisition costs comprising commission and other costs related to the acquisition of new insurance contracts are, where material, deferred to the extent that they are attributable to premiums unearned at the balance sheet date.

g. Investment income

Investment income comprises interest earned on an accruals basis and realised investment gains and losses. Realised gains and losses are calculated as the difference between sales proceeds and cost. Such income is stated gross of any applicable taxation credit.

h. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the non-technical account In this case tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated based on 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 based on amounts expected to be paid to the tax authorities.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England
Notes to the financial statements
for the year ended 31 December 2024 (continued)

3. Summary of significant accounting policies (continued)

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. The taxation charge in the non-technical account is based on the taxable profits for the year. Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred taxation assets are only recognised if recovery is probable.

i. Cash and cash equivalents

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

j. Share capital

Ordinary shares are classified as equity.

k. Distributions to equity holders

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. Capital reductions are made subsequent to approval from the PRA. These amounts are recognised in the statement of changes in equity.

l. Financial instruments

The Company has chosen to apply the recognition and measurement provisions of FRS 102 chapters 11 and 12 and the disclosure requirements of FRS 102 in respect of financial instruments.

m. Financial assets

The Company classifies its financial assets into the following categories: Deposits with credit institutions – loans and receivables. Management determines the classification of its investments at initial recognition and re-evaluates this at every reporting date.

3. Summary of significant accounting policies (continued)

n. Financial assets (continued)

(i) Deposits with credit institutions - Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that it has designated as at fair value through profit or loss. Loans and receivables are subsequently measured at amortised cost using the effective interest method. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables. This basis of valuation is viewed by the directors as having prudent regard to the likely realisable value.

o. Financial liabilities

Creditors are financial liabilities and are recognised initially at fair value, net of directly attributable transaction costs. Creditors are subsequently stated at amortised cost, using the effective interest method.

4. Critical accounting judgements and estimation uncertainty

At the balance sheet date, gross provision for claims was $43,000 (2023: $48,000) and related insurance recoveries was $5,000 (2023: $6,000). 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. The claims provision includes amounts in respect of potential claims and related expenses which are not expected to be settled for many years and where there is considerable uncertainty as to the amount at which they will be settled.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England
Notes to the financial statements
for the year ended 31 December 2024 (continued)

4. Critical accounting judgements and estimation uncertainty (continued)

The level of the provision has been set based on the information that is currently available, experience of development of similar claims and case law. The most significant assumptions made relate to the level of future claims, the level of future claims settlements and the legal interpretation of insurance policies. Whilst the directors consider that the gross provision for claims and the related insurance recoveries are fairly stated based on the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of provision are reflected in the financial statements for the period in which the adjustments are made. The methods used, and the estimates made for IBNR valuation purposes are reviewed regularly. The employer's liability class of business is also subject to the emergence of new types of latent claims, but no allowance is included for this as at the balance sheet date. There are no other judgements and estimates.

The estimation of claims incurred but not reported ("IBNR") is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insured until many years after the event giving rise to the claims have occurred. Classes of business where the IBNR proportion of the total reserve is high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

5. Management of insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random, and the actual number and the amount of claims will vary from year to year from the level established using statistical techniques.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

5. Management of insurance risk (continued)

Assumptions

The Company has written no new business since 2019. There are no reported outstanding claims in the current year (2023: Nil). The IBNR is calculated based on a central method derived from two actuarial methodologies: Development Method and Bornhuetter-Ferguson Method. The directors believe that these assumptions give rise to an appropriate valuation of IBNR to be reported in the financial statements with the UK Employers' liability contract responsible for most of the gross technical provision. The assumptions used have not changed from last year.

Concentration risk

The directors review the concentration of insurance risk, which is on the Employers' 'Liability and Onshore Property classes of business and all in the UK and Northern Europe. All current IBNR is assigned to the contracts in those regions. This concentration of risk remains unchanged from last year.

Sensitivity analysis

A movement in the claims reserves of +/- 20% would result in additional profit / (loss) for the year and increase / (decrease) in equity of $8,000 (2023: $6,000) assuming all other assumptions remain unchanged. There have been no claims since 2017. Should any future claims be paid, it would reduce the valuation of the technical provisions of $43,000 by the amount of the claim.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England

Notes to the financial statements

for the year ended 31 December 2024 (continued)

5. Management of insurance risk (continued)

The gross and net claims development over the 5 most recent underwriting years, plus 2014 and prior years, is shown in the following tables.

Gross Estimate of ultimate claims cost	**2014 & Prior $000**	**2015 $000**	**2016 $000**	**2017 $000**	**2018 $000**	**2019 $000**	**Total $000**
At end of reporting Year	405,546	467	354	340	219	176	407,102
One year later	404,539	400	198	180	115	103	405,535
Two years later	404,218	365	83	105	58	60	404,889
Three years later	404,061	358	48	58	33	31	404,589
Four years later	403,929	323	28	29	14	18	404,341
Five years later	403,876	303	14	16	7	14	404,230
Six years later	403,780	279	9	9	8		404,085
Current estimate of claims	403,780	264	5	8	8	14	404,079
Claim payments to date	(403,780)	(256)					(404,036)
Liability recognized in the balance sheet	0	8	5	8	8	14	43

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England
Notes to the financial statements
for the year ended 31 December 2024 (continued)

5. Management of insurance risk (continued)

Net Estimate of ultimate claims cost	**2014 & Prior**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
At end of reporting Year	40,064	377	227	279	187	180	41,314
One year later	38,551	362	142	149	110	104	39,418
Two years later	38,306	339	68	78	58	60	38,909
Three years later	38,185	338	39	45	33	31	38,671
Four years later	38,080	307	23	22	14	18	38,464
Five years later	38,026	293	12	10	8	14	38,363
Six years later	38,216	276	7	6	8		38,513
Current estimate of claims	38,216	262	4	6	8	14	38,510
Claim payments to date	(38,216)	(256)					(38,472)
Liability recognized in the balance sheet	0	6	4	6	8	14	38

The 2014 and prior years of account have had no recent activity and future development is not expected.

5. Management of insurance risk (continued)

The gross and net claims development over the past 5 most recent underwriting years, plus 2014 and prior years, is shown in the following tables as at 31 December 2023.

Gross Estimate of ultimate claims cost	**2014 & Prior $000**	**2015 $000**	**2016 $000**	**2017 $000**	**2018 $000**	**2019 $000**	**Total $000**
At end of reporting Year	405,546	467	354	340	219	176	407,102
One year later	404,539	400	198	180	115	103	405,535
Two years later	404,218	365	83	105	58	60	404,889
Three years later	404,061	358	48	58	33	31	404,589
Four years later	403,929	323	28	29	14	18	404,341
Five years later	403,876	303	14	16	7		404,216
Six years later	403,780	279	9	9			404,077
Current estimate of claims	403,780	265	5	9	7	18	404,084
Claim payments to date	(403,780)	(256)					(404,036)
Liability recognized in the balance sheet	0	9	5	9	7	18	48

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England
Notes to the financial statements
for the year ended 31 December 2024 (continued)

5. Management of insurance risk (continued)

Net Estimate of ultimate claims cost	**2014 & Prior $000**	**2015 $000**	**2016 $000**	**2017 $000**	**2018 $000**	**2019 $000**	**Total $000**
At end of reporting Year	40,064	377	227	279	187	180	41,314
One year later	38,551	362	142	149	110	104	39,418
Two years later	38,306	339	68	78	58	60	38,909
Three years later	38,185	338	39	45	33	31	38,671
Four years later	38,080	307	23	22	14	18	38,464
Five years later	38,026	293	12	10	8		38,349
Six years later	38,216	276	7	6			38,505
Current estimate of claims	38,216	262	4	6	8	18	38,514
Claim payments to date	(38,216)	(256)					(38,472)
Liability recognized in the balance sheet	0	6	4	6	8	18	42

6. Management of financial risk

Financial risk management objectives

The Company is exposed to a range of financial risks; in particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The most important components of this financial risk are market risk (including equity price risk and currency risk), credit risk and liquidity risk.

a) Market risk

Equity price risk

The Company holds no equity investments.

Currency risk

The Company manages its foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Company is exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than US Dollars. The most significant currency to which the Company is exposed is Sterling. The Company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

At 31 December 2024, if the Sterling had weakened/strengthened by 20% against the US Dollar with all other variables held constant, profit for the year would have been $37,386 (2023: $72,684) lower/higher, mainly as a result of foreign exchange gains/losses on the translation of Sterling denominated financial assets, carried at fair value through profit or loss and foreign exchange losses/gains on translation of Sterling denominated insurance liabilities.

b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- reinsurer's share of insurance liabilities,
- amounts due from reinsurers in respect of claims already paid,
- amounts due from insurance contract holders, and
- investments in debt securities
- intercompany balances

6. Management of financial risk (continued)

b) Credit risk (continued)

The assets bearing risk are analysed below by credit rating:

Ratings	FS Line item	2024 $000	2023 $000
A+	Reinsurers' Share of Technical Provisions – Claims Outstanding	5	6
AA-	Cash at bank	11,236	11,201
Not rated	Debtors due from group companies	6,180	6,150

The Company's investment guidelines as approved by the directors state that all Notes and bonds must be rated by Moody's or Standard and Poor's and must carry a minimum rating of AA. There have been no breaches of the investment guidelines, and these guidelines remain unchanged from last year.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as a primary insurer. If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policy holder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength and recent payment history (if any reinsurance claims have been made.) The most recent ratings for the participating reinsurers, as rated by Standard and Poor's or AM Best, carry a current rating of A+.

The table below analyses the aging of the Company's financial assets and reinsurer's share of outstanding claims.

Financial assets and reinsurer's share of outstanding claims At 31 December 2024	Neither past Due nor impaired $000	Past due $000	Total $000	Carrying value $000
Reinsurer's share of claims Outstanding	5	0	5	5
Debtors from group companies	6,180	0	6,180	6,180
Cash at bank and in hand	11,236	0	11,236	11,236
Financial assets and reinsurer's share of outstanding claims	17,421	0	17,421	17,421

6. Management of financial risk (continued)

Financial assets and reinsurer's share of outstanding claims At 31 December 2023	Neither past Due nor impaired **\$000**	Past due **\$000**	Total **\$000**	Carrying value **\$000**
Reinsurer's share of claims Outstanding	6	0	6	6
Debtors from group companies	6,150	0	6,150	6,150
Cash at bank and in hand	11,201	0	11,201	11,201
Financial assets and reinsurer's share of outstanding claims	17,357	0	17,357	17,357

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's investment guidelines approved by the Board of Directors sets out to maintain a liquid portfolio to cover anticipated liabilities as they fall due and also unexpected levels of cash requirements to meet claim payments without recourse to any borrowing facilities.

The following tables show the undiscounted expected timing of future cash flows in the Company. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented with their expected cash flows.

At 31 December 2024	**< 1 Year \$000**	**1 - 2 Years \$000**	**2 – 5 Years \$000**	**> 5 Years \$000**	**Total \$000**
Creditors	144	0	0	0	144
Financial liabilities	0	0	0	100	100
Claims Outstanding	0	0	0	0	0
IBNR	8	8	24	3	43
Financial liabilities and Outstanding claims	152	8	24	103	287

6. Management of financial risk (continued)

c) Liquidity risk (continued)

At 31 December 2023	< 1 Year $000	1 - 2 Years $000	2 – 5 Years $000	> 5 Years $000	Total $000
Creditors	179	0	0	0	179
Financial liabilities	51	0	0	100	151
Claims Outstanding	0	0	0	0	0
IBNR	8	8	24	8	48
Financial liabilities and Outstanding claims	238	8	24	108	378

d) Capital Management

The Company maintains a capital structure comprised primarily of equity shareholders' funds, consistent with the Company's risk profile and the regulatory and market requirements of the business.

The Company's objectives in managing its capital are:

a) to match the profile of its assets and liabilities, taking account of the risks inherent in the business.
b) to satisfy the requirements of its policyholders, regulators and rating agencies.
c) to manage exposures to movement in exchange rates.

The Company is regulated by the Prudential Regulation Authority and the Company is subject to insurance solvency regulations which specify the minimum amount and type of capital that must be held in addition to the insurance liabilities.

The Solvency II regime has been effective since 2016 and establishes a set of EU-wide capital requirements, risk management and disclosure standards. The Company is subject to these regulations. The Company is required to meet a Solvency Capital Requirement (SCR) which is calibrated to seek to ensure a 99.5% confidence of the ability to meet obligations over a 12-month time horizon, and a Minimum Capital Requirement (MCR). In the Company's case, the MCR is higher than the SCR, therefore the MCR applies for regulatory solvency purposes. The Company calculates its SCR in accordance with the standard formula prescribed in the Solvency II regulations as the assumptions underlying the standard formula are considered to be a good fit for the Company's risk profile.

d) Capital Management (unaudited) (continued)

	SCR – USD 000's	MCR – USD 000's
Capital requirement	1,282	4,385
Total eligible own funds	16,895	16,895
Surplus	**15,613**	**12,510**
Solvency ratio	13.2	3.9

The above summary indicates that regarding both the SCR and MCR, the level of Solvency II own funds exceeds the capital requirements by a wide margin. Therefore, the Company considers that it is in a satisfactory capital position.

7. Particulars of business

The analysis of business is disclosed by destination and major class, the origin of all business is UK.

			Total		
	Property and Fire	**Liability**	**Direct**	**Reinsurance**	
2024	**$000**	**$000**	**$000**	**$000**	**$000**
Gross Premium written					
Risks located in:					
UK	0	0	0	0	0
Europe	0	0	0	0	0
	0	0	0	0	0
Change in the provision for unearned premium	0	0	0	0	0
Gross premiums earned	0	0	0	0	0
Gross claims incurred	0	5	5	0	5
Gross operating expenses	0	(259)	(259)	0	(259)
Gross technical result	0	(254)	(254)	0	(254)
Reinsurance balance	0	1	1	0	1
Net technical result	0	(255)	(255)	0	(255)
Balance on technical	0	(255)	(255)	0	(255)
Net technical provisions	0	38	38	0	38

Within gross operating expenses for direct business are included commissions accounted for of USD Nil.

7. Particulars of business (continued)

The analysis of business is disclosed by destination and major class, the origin of all business is UK.

			Total		
	Property and Fire	**Liability**	**Direct**	**Reinsurance**	
2023	**$000**	**$000**	**$000**	**$000**	**$000**
Gross Premium written					
Risks located in:					
UK	0	0	0	0	0
Europe	0	0	0	0	0
	0	0	0	0	0
Change in the provision for unearned premium	0	0	0	0	0
Gross premiums earned	0	0	0	0	0
Gross claims incurred	0	37	37	0	37
Gross operating expenses	0	(231)	(231)	0	(231)
Gross technical result	0	(194)	(194)	0	(194)
Reinsurance balance	0	7	7	0	7
Net technical result	0	(201)	(201)	0	(201)
Balance on technical account	0	(201)	(201)	0	(201)
Net technical provisions	0	42	42	0	42

Within gross operating expenses for direct business are included commissions accounted for of USD Nil.

8. Net operating expenses

	2024 $000	2023 $000
Administration expenses	259	231
	259	231
Net operating expenses	259	231
Net operating expenses include:		
Fees payable to the Company's auditors for the audit of the Company	75	112
Other charges including value adjustments:		
Foreign exchange revaluation	0	(21)

The Company has no employees (2023: None). The Company receives services performed by affiliated Chevron entities, both inside and outside of the UK. Certain costs incurred by Chevron Products UK Limited have been recharged to the Company and are included in Administration Expenses. Affiliated companies providing services to the Company do not track costs by individuals performing those services. Therefore, there is no reasonable methodology to allocate individual employee costs to the Company.

Heddington Insurance (U.K.) Limited

Registered Number 01298239 England
Notes to the financial statements
for the year ended 31 December 2024 (continued)

9. Directors' emoluments

The Company has two directors whose contracts of employment are with affiliated companies. The directors are not paid for their role because it is a function of their employment with the affiliate.

10. Investment return

	2024 $000	2023 $000
Investment income		
Income from other financial investments	426	1,072
	426	1,072
Investment expenses and charges		
Investment management charges	(2)	(2)
	(2)	(2)
Unrealised gains/(losses) on investments		
Movement in unrealised gains/(losses)	0	0
Total investment return	424	1,070

11. Tax charge on profit on ordinary activities

	2024 $000	2023 $000
Current tax: UK corporation tax at 25% (2023:23.5%)		
• Current tax on results for thc ycar	42	209
• Adjustments in respect of prior years	46	(61)
Total current tax	88	148
Tax on profit on ordinary activities	88	148
Factors affecting the tax credit for the year The tax assessed for the year is at the standard rate of corporation tax in the UK 25% (2023: 23.5%). The differences are explained below:		
Non-technical account		
Profit on ordinary activities before tax	169	890
• Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 25% (2023:23.5%)	42	209
• Adjustments in respect of prior years	46	(61)
Total tax expense for the year	88	148

The UK Government changed the corporation tax rate to 25% effective April 2023. For 2023, Heddington is calculating an effective tax rate of 23.5%, which considers the corporate tax rate of 19% effective January 1 to March 31, and the 25% rate effective April 1 onwards. Heddington's final tax rate for 2024 may differ from the calculated rate of 25%, because Heddington's tax return is included in the Group tax return for the Chevron UK companies, and the Company may receive a credit based on the consolidated results of the Group return.

Heddington Insurance (U.K.) Limited
Registered Number 01298239 England
Notes to the financial statements
for the year ended 31 December 2024 (continued)

12. Debtors due from group companies

	2024 $000	2023 $000
Amounts owed by group undertakings are made up as follows:		
Amounts owed by group undertakings – other	6,180	6,150

The Company participates in a cash pooling arrangement with an affiliated company, Chevron Netherlands Finance, BV. Amounts deposited in the cash pool are unsecured and repayable on demand.

13. Called up share capital

	2024 $000	2023 $000
Allotted and fully paid		
10 million ordinary shares of USD 1 each	10,000	10,000

During 2023, the Company made an application to the Prudential Regulation Authority (PRA) and received permission from the PRA to reduce ordinary share capital by USD 20 million to USD 10 million. The Company returned the capital to its sole shareholder, Heddington Insurance Limited, a Bermuda regulated insurance company in December 2023.

14. Claims provisions

The technical provisions shown in the balance sheet include:

	Gross $000	Reinsurance $000	Net $000
2024			
Claims outstanding	0	0	0
IBNR	43	5	38
Total claims provisions	43	5	38
2023			
Claims outstanding	0	0	0
IBNR	48	6	42
Total claims provisions	48	6	42

14. Claims provisions (continued)

As at December 31, 2024 claims provision consists of IBNR only on the Related Liability and Related Property classes of business. On the Related Liability class, net claims were $38,000 (2023: $42,000) (gross: $43,000 – 2023: $48,000). On the Related Property class net and gross claims were $Nil.

During the year, no adverse run-off deviation was experienced in respect of liability business and no deviation was experienced in respect of property.

15. Reconciliation of insurance balances

	Gross		Reinsurers share	
	2024 $000	**2023 $000**	**2024 $000**	**2023 $000**
At 1 January	48	85	6	13
Decrease in provision through profit and loss	(5)	(37)	(1)	(7)
Foreign Exchange Movements Investments	0	0	0	0
At 31 December	43	48	5	6

16. Creditors arising out of reinsurance operations

	2024 $000	**2023 $000**
Creditors arising out of reinsurance operations are made as follows:		
Owed to Intermediaries	100	100

17. Financial instruments

	2024 $000	2023 $000
Financial Assets		
Measured at cost		
Cash at bank	11,236	11,201
Debtors from group companies	6,180	6,150
	17,416	17,351
Total financial assets	17,416	17,351
Financial Liabilities		
Measured at amortised cost		
Other creditors	244	330
Total financial liabilities	244	330

18. Related party transactions

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group. There are no material related party transactions requiring disclosure (2023: Nil).

Offices of the Company

Registered Office 1 Westferry Circus, Canary Wharf, London, E14 4HA
Tel: 020 7719 4612
Fax: 020 7719 5117