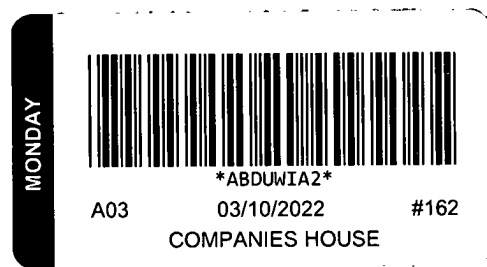


**CHEVRON ENERGY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2021**



**The company's number is: 05300877**

## **CHEVRON ENERGY LIMITED**

### **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their strategic report on the Company for the year ended 31 December 2021.

#### **Principal activities**

Chevron Energy Limited (the 'Company') is a private company registered in England and limited by shares which provides loan financing to other Chevron Group entities. The Company is also a holding company for certain operating companies in the United Kingdom ('UK') of the Chevron Group of companies. The Company is the main UK employing company and holds the share incentive plan as well as being the sponsor of the Chevron UK pension plan.

#### **Business review**

The results for the Company show a loss before taxation of \$27.2m (2020: a profit of \$80.7m) for the year. This decrease of \$107.9m was due to a decrease in dividend income from subsidiaries of \$75.0m, a decrease in pension income from subsidiaries and increase in pension expenses amounting to \$25.7m, an increase on currency exchange losses on pension scheme of \$11.0m and an increase in finance costs of \$0.3m, partially offset by lower share incentive plan costs of \$4.1m.

The Company's total comprehensive income for the financial year is \$96.6m (2020: income of \$134.6m). No dividends on ordinary shares were paid in 2021 (2020: \$75.0m). No capital contributions were received in 2021 (2020: \$6.0m). The total income after distributions of \$96.6m (2020: income of \$59.6m) was transferred to reserves, contributing to an increase in total shareholders' funds to \$1,235.4m (2020: increase to \$1,138.8m).

#### **Principal risks and uncertainties**

The key business risk and uncertainty affecting the management of the business and the execution of the Company strategy is the risk that the performance of subsidiary companies will result in dividends not being received.

#### **Key performance indicators 1-6**

The Company's directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance, or position of the business of the Company.

#### **Impact of the Coronavirus Disease 2020 (COVID-19) Pandemic**

The outbreak of COVID-19 caused a significant decrease in demand for our products and created disruptions and volatility in the global marketplace beginning late in first quarter 2020. Demand has largely recovered; however, there continues to be uncertainty around the extent to which the COVID-19 pandemic may impact our future results, which could be material.

#### **Future developments**

It is the intention of the directors that the business will continue as a finance and holding company for the foreseeable future.

#### **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' S172 Statement and statements on engagement with UK employees.

As a wholly owned subsidiary of the Chevron Corporation, the Directors ensure that decisions are beneficial to all of the Company's stakeholders as well as having regard to the long-term sustainable success of the Chevron Group as a whole. The strategic aims of the Company are derived from those of the Chevron Group, which can be found in the Chevron Corporation 2021 Annual Report at <https://www.chevron.com/annual-report>. The Chevron Group internally organises its activities principally along business and function lines and transacts its business through legal entities. This organisation structure is designed to achieve Chevron's overall business objectives, whilst respecting the separate legal identity of the individual Chevron companies through which it is implemented and the independence of each Board of Directors.

## CHEVRON ENERGY LIMITED

### STRATEGIC REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

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 BC&EC: <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.

The Company engages with its employees through regular formal meetings and as necessary by ad hoc consultation and negotiation with the employees and their representatives. An employee representation body is also operated, election being made by ballot, which provides a standing forum for the exchange and discussion of ideas. The Company ensures, via this body, that elected employee representatives are engaged on a wide range of matters affecting the current and future interests of all employees. In addition, the Company uses various methods to communicate business related activities to employees. These include articles being posted on the Company intranet site, videos, email and on-site meetings.

#### Principal Decisions

The Company UK Crisis Management Team continued to meet regularly to discuss the ongoing risks relating to Covid-19 and provided updates to the workforce. The Company's employees worked remotely during various lockdown periods per UK Government guidance and were provided with equipment to enable remote working. A return to the workplace for UK office-based employees commenced November 2021. This coincided with the introduction (after employee consultation) of a hybrid work model.

#### Business Relationships

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

#### Customers:

The Company does not have any external customers.

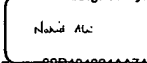
#### Suppliers:

No significant decisions were made by the directors in relation to suppliers.

#### Community and Environment

No significant decisions were made by the directors as it relates to community and environment.

#### ON BEHALF OF THE BOARD

  
N Ali

Director

1 Westferry Circus  
Canary Wharf  
London E14 4HA

28 September 2022

## **CHEVRON ENERGY LIMITED**

### **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021. These financial statements have been prepared under FRS 102.

Future developments have been discussed in the Strategic Report.

#### **Financial risk management**

The Company faces a number of financial risks which are managed as part of the Chevron Group's risk management objectives and policies. The Company does not hedge any of these risks and therefore hedge accounting is not applied in these financial statements.

#### ***Credit Risk***

The Company is exposed to credit risk on loans made to other 100% owned Chevron entities. The risk is managed through ensuring that loans are advanced solely to companies within the Chevron Group.

#### ***Liquidity and cash-flow risk***

Risks facing the Company include liquidity and cash flow risk, and the Company therefore maintains sufficient available funds for its daily operations. Chevron Group management in the UK actively monitors all funding requirements for UK group companies and manages any finance arrangements needed to meet such requirements. This may result in loans between group companies being extended beyond original repayment dates or repaid prior to original due dates.

#### ***Interest rate risk***

The Company has interest bearing assets which are held at both floating and fixed rate terms. These are monitored on a daily basis by a treasury management group and an appropriate structure of investments is maintained. The Company does not hedge interest rate risks.

#### ***Foreign exchange risk***

The Company has assets and liabilities denominated in foreign currencies. The Company does not use derivative financial instruments to manage the risk of fluctuating exchange rates and as such no hedge accounting is applied.

#### **Results and dividends**

The Company's total comprehensive income for the financial year is \$96.6m (2020: income of \$134.6m). There were no dividends on ordinary shares paid in 2021 (2020: \$75.0m). No capital contributions were received in 2021 (2020: \$6.0m). The total income after distributions of \$96.6m (2020: income of \$59.6m) was transferred to reserves, contributing to an increase in total shareholders' funds to \$1,235.4m (2020: increase to \$1,138.8m).

#### **Employment policy and employee consultation**

It is the Company's policy to ensure that all employees receive equal treatment and are judged solely on merit and capability. Company policy also aims to ensure that all job applications from disabled people receive full and fair consideration. Every effort is made to continue the employment of, and arrange appropriate training for, those employees who become disabled during their period of employment. In common with all other employees, disabled people are given equal opportunities and, where appropriate, special training to progress within the Company.

The Company remains committed to the principle of employee involvement and has continued its practice of providing employees with information on matters of concern to them. The Company consults with employees and their representatives in order that their views can be taken into account on such matters as are appropriate.

The Company communicates and consults with employees at the local level through regular formal meetings and as necessary by ad hoc consultation and negotiation with the employees and their representatives. A staff employee representation programme council system is also operated, election being made by ballot, with panels which provide a regular forum for the exchange and discussion of ideas. The Company ensures by this channel of communication that elected employee representatives are consulted regularly on a wide range of matters affecting the current and future interests of all employees.

In addition, the Company uses various methods to communicate business related activities to employees. These include articles being posted on the Company intranet site, videos, email and on-site meetings.

The Company is the sponsoring company of the Chevron Energy Limited share incentive plan. From 1 July 2012 employees who work for the Company were entitled to join the share incentive plan. Further details of the plan are disclosed in Note 6.

**CHEVRON ENERGY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

M J Williams  
N Ali  
J G Cameron (resigned 9 May 2022)  
S. Floyd (appointed 9 May 2022)  
A. Haque (appointed 9 May 2022)  
A R McGarva  
Y V McIntyre (resigned 9 May 2022)

**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.

**Streamlined Energy and Carbon Reporting (SECR)**

The Company is defined as a large company under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

For the year ended 31 December 2021 the Company did not purchase electricity directly for its own use and all employee costs were recharged monthly to the legal entities to which it provides services and support. Therefore, it does not meet the energy usage requirements and is exempt from SECR reporting for that reason.

**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.

**CHEVRON ENERGY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**Directors' confirmations**

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

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

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to be re-appointed and pursuant to an elective resolution adopted by the Company, have automatically been re-appointed as the Company's auditors.

**ON BEHALF OF THE BOARD**

DocuSigned by:  
N Ali  
88D484924AA746A...  
N Ali  
Director  
28 September 2022

1 Westferry Circus  
Canary Wharf  
London E14 4HA

# Independent auditors' report to the members of Chevron Energy Limited

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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

## **Reporting on other information**

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

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

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

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

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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



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

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Challenging assumptions and judgements made by management in the significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations and words.

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

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

### **Use of this report**

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

## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Richard French (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
28 September 2022

**CHEVRON ENERGY LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>Continuing operations</b>	Note	<b>2021</b>	<b>2020</b>
		<b>\$m</b>	<b>\$m</b>
Administrative expenses	2	<b>(41.1)</b>	<i>(35.1)</i>
Other operating income	2	<b>14.1</b>	<i>40.7</i>
<b>Operating (loss) / profit</b>	2	<b>(27.0)</b>	<i>5.6</i>
Income from shares in group undertakings		-	<i>75.0</i>
<b>(Loss) / profit before interest and tax</b>		<b>(27.0)</b>	<i>80.6</i>
Other interest receivable and similar income		-	<i>0.1</i>
Other finance expenses	4	<b>(0.2)</b>	-
<b>(Loss) / profit before tax</b>		<b>(27.2)</b>	<i>80.7</i>
Tax on (Loss) / profit	7	<b>6.4</b>	<i>(2.5)</i>
<b>(Loss) / profit for the financial year</b>		<b>(20.8)</b>	<i>78.2</i>
<b>Other Comprehensive Income</b>			
Actuarial gain on pension scheme	11	<b>180.1</b>	<i>69.6</i>
Deferred tax on actuarial gain on pension scheme	14	<b>(45.0)</b>	<i>(13.2)</i>
Deferred tax movement for effect of tax rate change	14	<b>(17.7)</b>	-
<b>Other comprehensive income for the financial year</b>		<b>117.4</b>	<i>56.4</i>
<b>Total comprehensive income for the financial year</b>		<b>96.6</b>	<i>134.6</i>


The notes on pages 13 to 26 form part of these financial statements.

**CHEVRON ENERGY LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2021**

	Note	2021 \$m	2020 \$m
<b>Fixed assets</b>			
Investments	8	876.4	874.5
Other Investments	9	6.1	5.1
		<u>882.5</u>	<u>879.6</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	10	12.8	38.4
Pension surplus: Amounts falling due after more than one year	11	459.9	310.2
		<u>472.7</u>	<u>348.6</u>
Creditors: Amounts falling due within one year	12	(3.2)	(29.4)
<b>Net current assets</b>		<u>469.5</u>	<u>319.2</u>
<b>Total assets less current liabilities</b>		<u>1,352.0</u>	<u>1,198.8</u>
Creditors: Amounts falling due after more than one year	13	(1.6)	(1.1)
Deferred tax liability	14	(115.0)	(58.9)
<b>Net assets</b>		<u>1,235.4</u>	<u>1,138.8</u>
<b>Capital and reserves</b>			
Called up share capital	15	2.2	2.2
Share premium account	16	860.6	860.6
Profit and loss account	3	372.6	276.0
<b>Total shareholders' funds</b>	17	<u>1,235.4</u>	<u>1,138.8</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

The financial statements on pages 10 to 26 were approved by the board of directors on 28 September 2022 and were signed on its behalf by:

DocuSigned by:  
  
 89D484924AA746A...  
 N Ali  
 Director  
 Chevron Energy Limited  
 Company number: 05300877

**CHEVRON ENERGY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up Share Capital \$m	Share Premium Account \$m	Profit and Loss Account \$m	Total Shareholders' Funds \$m
<b>Balance at 1 January 2021</b>	<b>2.2</b>	<b>860.6</b>	<b>276.0</b>	<b>1,138.8</b>
Loss for the financial year	-	-	(20.8)	(20.8)
<b>Other comprehensive income/(expense)</b>				
Actuarial gain on pension scheme	-	-	180.1	180.1
Deferred tax on actuarial gain on pension scheme	-	-	(45.0)	(45.0)
Deferred tax on pension scheme for effect of tax rate change	-	-	(17.7)	(17.7)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>96.6</b>	<b>96.6</b>
<b>Transactions with owners, recorded directly in Equity</b>				
Capital contribution	-	-	-	-
Dividends	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2021</b>	<b>2.2</b>	<b>860.6</b>	<b>372.6</b>	<b>1,235.4</b>
<b>Balance at 1 January 2020</b>	<b>2.2</b>	<b>854.6</b>	<b>216.4</b>	<b>1,073.2</b>
Profit for the financial year	-	-	78.2	78.2
<b>Other comprehensive (expense)/income</b>				
Actuarial gain on pension scheme	-	-	69.6	69.6
Deferred tax on actuarial gain on pension scheme	-	-	(13.2)	(13.2)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>134.6</b>	<b>134.6</b>
<b>Transactions with owners, recorded directly in equity</b>				
Capital contribution	-	6.0	-	6.0
Dividends	-	-	(75.0)	(75.0)
<b>Total transactions with owners</b>	<b>-</b>	<b>6.0</b>	<b>(75.0)</b>	<b>(69.0)</b>
<b>Balance at 31 December 2020</b>	<b>2.2</b>	<b>860.6</b>	<b>276.0</b>	<b>1,138.8</b>

Profit and Loss Account represents accumulated comprehensive income/expense for the year and prior years less dividends paid.

## CHEVRON ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. Principal accounting policies

##### a) Reporting entity and statutory base

Chevron Energy Limited is a company incorporated and domiciled in the UK. The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102 in the transition period. The following exemptions have been taken in these financial statements:

- Separate financial instruments – carrying amount of the Company's cost of investment in subsidiaries is its deemed cost at 1 January 2014.

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

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

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Chevron Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share-Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's 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 1i).

Consolidated financial statements of the Company, its subsidiary undertakings and its participatory undertakings have not been prepared. The Company is exempt from the requirement to prepare consolidated financial statements under the provisions of section 401 of the Companies Act 2006. The financial statements present information about the Company as an individual undertaking and not about its group.

##### b) Measurement

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: liabilities for cash-settled share-based payments.

## CHEVRON ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

#### 1. Principal accounting policies (continued)

##### c) Foreign currency

The currency of the primary economic environment in which the Company operates is United States Dollars (USD) ('the functional currency'). The items included in the financial statements of the Company are presented in United States Dollars (USD) ('the presentation currency').

For the purposes of these financial statements, transactions effected in currencies other than United States dollars (USD) have been translated into USD at average rates of exchange prevailing during the months in which the transactions took place. Monetary assets and liabilities expressed in other currencies have been translated into USD at the rate of exchange ruling at the balance sheet date.

Foreign exchange differences arising on translation are recognised in the profit and loss account.

##### d) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors. Financial instruments are accounted for in accordance with sections 11 and 12 of FRS 102.

###### *Financial Assets*

###### *Trade and other debtors*

Trade and other receivables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

###### *Financial Liabilities*

###### *Trade and other creditors*

Trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

##### e) Investments

Investments in subsidiaries are stated 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.

Other investments are equity securities held by the Company in relation to the Employee Share Incentive Plan ('ESIP') and are stated at fair value (refer Note 6). When these investments are derecognised, the cumulative gain or loss is recognised in Profit and Loss.

##### f) 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.

The current tax rate for the year of 19% is the same as the prior year. Deferred taxes at the balance sheet date have been measured using the enacted tax rate and reflected in these financial statements. Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date where transactions or events that will

## CHEVRON ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

#### 1. Principal accounting policies (continued)

##### f) Taxation (continued)

result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

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

##### g) Pension costs

The Company operates a defined benefit pension scheme providing benefits based on final pensionable pay. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest). The Company recognises them immediately in other comprehensive income. All other income and expenses related to defined benefit plans in employee benefit expenses in Profit and Loss, which primarily comprise pension income from subsidiary undertakings and pension service costs within administrative costs.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in Profit and Loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

##### h) Share-based payments

The Company operates a cash-settled employee share incentive plan (which acquires shares in Chevron Corporation on the open market), under the terms of which matching shares are not vested to employees until three years of service have been completed. The Company grants rights to its parent's equity instruments to employees of its own subsidiaries. The Company accounts for these share-based payments as cash-settled. It recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries with the corresponding credit being recognised in liabilities.

The purchase of shares is recorded at fair value on the initial grant date (based on market price at grant date) and re-valued at fair value at each year end. The cost of the matched portion of share is charged to the profit and loss account of subsidiaries over the vesting period (all such costs are borne by subsidiary undertakings of the Company). Share plan liabilities are re-valued at fair value as at the end of each financial year, and changes in value are recognised in the profit and loss account. Further information is provided in Note 6.

##### i) Critical accounting estimates and judgements

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

**CHEVRON ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**1. Principal accounting policies (continued)**

**i) Critical accounting estimates and judgements (continued)**

**Defined benefit pension scheme**

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 11 for the disclosures of the defined benefit pension scheme.

Current service costs, curtailment and settlement gains and losses, and financial returns are included in the profit and loss account in the period to which they relate. Actuarial gains and losses are recorded through other comprehensive income.

**j) Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**k) Dividend**

Dividends and other distributions to company'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 Company's shareholders. These amounts are recognised in the statement of changes in equity.

**l) Exceptional Items**

Exceptional items are non-recurring material items which are outside the normal scope of the Company's ordinary activities such as the transfer of the pension scheme to the Company in 2012. Such items are disclosed separately within the financial statements.

**2. Operating (loss) / profit**

Operating (loss) / profit is stated after (charging)/crediting:	2021	2020
	\$m	\$m
<b>Services provided by the Company's auditors:</b>		
Fee payable for the audit	(0.1)	(0.1)
<b>Administrative expenses consist of:</b>		
Administrative expenses	(0.1)	(0.1)
Pension service cost (Note 11)	(43.3)	(33.2)
Administrative expenses - ESIP fair valuation effect	2.4	(1.7)
	<u>(41.1)</u>	<u>(35.1)</u>
<b>Other operating income consists of:</b>		
Pension income from subsidiary undertakings (Note 11)	2.3	26.8
Pension income from subsidiary undertakings for benefits paid directly by the Company	13.9	5.0
Currency exchange gain on operating items	(2.1)	8.9
	<u>14.1</u>	<u>40.7</u>
	<u>(27.0)</u>	<u>5.6</u>

No fees were paid to the auditors for non-audit services (2020: £nil).



**CHEVRON ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****3. Profit and loss account**

	2021	2020
	\$m	\$m
At 1 January	276.0	216.4
Total comprehensive income for the financial year	96.6	134.6
Dividends	-	(75.0)
At 31 December	372.6	276.0

**4. Other finance expenses**

	2021	2020
	\$m	\$m
Interest paid to other Chevron Corporation entities	(0.2)	-
	(0.2)	-

**5. Directors' emoluments**

In relation to their services as directors or otherwise in connection with the management of the Company, no emoluments were paid to or are receivable by directors from the Company during the year. In relation to their services as directors or otherwise in connection with the management of a subsidiary of the Company, emoluments and amounts (excluding shares) receivable under long-term incentive schemes of \$nil (2020: \$nil) were paid to or receivable by directors during the year.

**6. Employee information**

a) Some employees for subsidiary companies in the UK have contracts of service with the Company. All employee (including directors) costs, including pension costs, are borne by the subsidiary for which the employee provides services and the costs are shown and disclosed in the financial statements of those companies, as if they were employed by those companies. There is one exception to this in relation to the Employee Share Incentive Plan, as discussed below.

	2021	2020
	Number	Number
b) The average monthly number of employees engaged in operations of Chevron companies in the UK was:		
Upstream	83	78
Downstream	294	330
	377	408

**c) Employee Share Incentive Plan (ESIP)**

The Company is the sponsoring company of the Chevron Energy Limited (formerly Chevron Europe Finance Limited) Share Incentive Plan. This was administered by Link Asset Services of Central Square, 10<sup>th</sup> Floor, 29 Wellington Street, Leeds LS1 4DL until 31<sup>st</sup> December 2021. From 1<sup>st</sup> January 2022, the Chevron Energy Limited Employee Share Incentive Plan is administered by Solium Capital UK Limited of 20 Bank Street, Canary Wharf, London, England E14 4AD. Solium Capital UK Ltd have since changed their name to Shareworks by Morgan Stanley. Under the rules of the plan the Company will match every Chevron Corporation share bought by an employee with two matching shares (up to a defined limit). These matching shares, which are settled in cash, will be held in a UK registered trust on behalf of the employee, and are not vested to the employee until 3 years of service has been completed from the date of acquisition. As these shares are in the ultimate parent company there is no reduction to shareholders' funds.

**CHEVRON ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**6. Employee information (continued)**

	2021	2020
Employee share incentive plan (ESIP):		
Shares granted during the year	19,496	25,802
Weighted average share price	<u>\$101.95</u>	<u>\$95.45</u>
Total expense recognised by subsidiary companies at fair value (based on market value as at date of acquisition)	<u>\$2.0m</u>	<u>\$2.4m</u>
Total shares in plan as at 31 December	52,209	61,213
Assets of plan at historical cost as at 31 December	\$5.5m	\$6.8m
Market value of shares held in trust at 31 December	\$6.1m	\$5.1m
Share-based payment liabilities to employees at 31 December	(\$3.0m)	(\$2.4m)
Share-based payment in subsidiary undertakings – capital contribution at 31 December	(\$2.5m)	(\$4.4m)

**7. Tax on (loss) / profit**

	2021	2020
<b>a) Tax charge included in profit or loss</b>	<b>\$m</b>	<b>\$m</b>
Current tax:		
UK corporation tax on losses of the year	0.1	-
Prior year corporation tax	0.9	1.8
<b>Total current tax</b>	<u>1.0</u>	<u>1.8</u>
Deferred tax:		
Origination and reversal of timing differences	6.8	(4.3)
Effect of tax rate change	(1.4)	-
<b>Total deferred tax</b>	<u>5.4</u>	<u>(4.3)</u>
<b>Total tax credit / (charge) in profit or loss</b>	<u>6.4</u>	<u>(2.5)</u>
<b>b) Tax included in other comprehensive income</b>	<b>\$m</b>	<b>\$m</b>
Deferred tax:		
Origination and reversal of timing differences	(45.0)	(13.2)
Effect of tax rate change	(17.7)	-
<b>Total tax charge included in other comprehensive income</b>	<u>(62.7)</u>	<u>(13.2)</u>

**CHEVRON ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****c) Reconciliation of tax charge**

The tax assessed for the year is higher (2020: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19.0% (2020: 19.0%). The differences are explained below:

	2021	2020
	\$m	\$m
<b>(Loss) / Profit before tax charge</b>	<b>(27.2)</b>	<b>80.7</b>
Loss / Profit before taxation multiplied by standard rate of corporation tax in the UK 19.0% (2020: 19.0%)	5.2	(15.3)
Effects of:		
Origination and reversal of timing differences - Current year	6.8	(4.3)
Effect of tax rate change	(1.4)	-
Non-taxable items	(5.1)	15.3
Prior year corporation tax	0.9	1.8
<b>Total tax credit / (charge) in profit or loss</b>	<b>6.4</b>	<b>(2.5)</b>

**UK Corporation tax rate change**

In the Budget 2021 on 18 March 2021, it was announced that the main corporate tax rate was maintained at 19% and enacted on 22 July 2021. This rate is reflected in the deferred tax balance. A further change to increase the main rate of corporation tax to 25% from 1 April 2023 received royal assent on 10 June 2021. The rate of 25% is therefore used for deferred tax calculations in the current year.

**8. Investments**

The following are included in fixed asset investments:

	2021	2020
	\$m	\$m
Investment in Subsidiary undertakings	878.9	878.9
Share-based payment in Subsidiary undertakings – capital contribution (ESIP)	(2.5)	(4.4)
	<b>876.4</b>	<b>874.5</b>

**CHEVRON ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****8. Investments (continued)**

## a) Investment in Subsidiary undertakings

At the balance sheet date, the Company held an interest in excess of 10% in the following subsidiary undertakings, which are not listed in the UK or any overseas Stock Exchange:

Subsidiary undertakings	Country of incorporation	Registered Office	Principal activity	Share Class	%
Chevron Products UK Limited	England	1 Westferry Circus, Canary Wharf, London, E14 4HA	Trading & supply	Ordinary	100
Chevron UK Pension Trustee Limited	England	1 Westferry Circus, Canary Wharf, London, E14 4HA	Pension Trustee	Ordinary	100
Chevron Eurasia Pacific Limited*	England	1 Westferry Circus, Canary Wharf, London, E14 4HA	Exploration & production	Ordinary	100
Chevron Limited*	England	1 Westferry Circus, Canary Wharf, London, E14 4HA	Non-trading	Ordinary	100
Chevron Britain Limited*	England	1 Westferry Circus, Canary Wharf, London, E14 4HA	Exploration & production	Ordinary	100
Other related undertakings	Country of incorporation	Registered Office	Principal activity	Share Class	%
OGCI Climate Investments LLP*	England	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB on 2 June 2017)	Investment	Ordinary	9.1
Joint Inspection Group Limited*	England	9 Caxton House Broad Street, Great Cambourne, Cambridge, CB23 6JN	Managing – aviation fuel	Guarantee**	12.5
Paloak Limited***	Scotland	Johnstone House 52-54 Rose Street Aberdeen, AB10 1HA	Leasing	Ordinary *	3.5
Oil Spill Response Limited*	England	Lower William Street Southampton SO14 5QE	Business Services	Ordinary A *	13.7

\* Owned through a subsidiary undertaking

\*\* Company is limited by guarantee and has no share capital

\*\*\* Owned by Chevron Eurasia Pacific Limited (name changed from Chevron North Sea Holdings Limited to Chevron Eurasia Pacific Limited (effective February 28, 2022))

Following 100% owned subsidiaries were dissolved in 2021.

- Texaco Limited (Dissolved 14/09/2021)
- Texaco (Ireland) Limited (Dissolved 11/03/2021)

The movement on the net book value of investments in Subsidiary undertakings in the year was as follows:

	2021	2020
	\$m	\$m
<b>Balance at the beginning of year</b>	<b>878.9</b>	<b>872.9</b>
Increase in investment in subsidiary undertakings	-	6.0
<b>Balance at the end of year</b>	<b>878.9</b>	<b>878.9</b>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

**CHEVRON ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**8. Investments (continued)**

b) Share-based payment in Subsidiary undertakings – capital contribution (ESIP) consists of

	2021	2020
	\$m	\$m
Accumulated share-based payment charge (increase in capital contribution)	3.0	2.4
Accumulated intercompany recharge (return of capital contribution)	(5.5)	(6.8)
	<u>(2.5)</u>	<u>(4.4)</u>

Refer to note 6 for details relating to share-based payment liabilities to employees.

**9. Other investments**

Other investments relate to shares held in Chevron Corporation as part of the ESIP (Note 6).

	2021	2020
	\$m	\$m
The following are included in the fair value of other investments:		
Shares in Chevron Corporation	6.1	5.1

	Shares in Chevron Corporation
	\$m
The movement in the net book value of other investments was as follows:	
Balance at 1 January 2021	5.1
Shares purchased (Note 6)	2.0
Shares vested	(3.3)
Fair value loss to profit and loss account	2.4
Currency exchange gain	(0.1)
Balance at 31 December 2021	<u>6.1</u>

**10. Debtors: Amounts falling due within one year**

	2021	2020
	\$m	\$m
Amounts owed by group undertakings	1.7	28.0
Other debtors	11.1	10.4
	<u>12.8</u>	<u>38.4</u>

Amounts owed by group undertakings are unsecured, non-interest bearing and have no specific repayment dates.

Other debtors refer to loans to other Chevron Corporation entities at 31 December 2021 and represents a \$11.1m (2020: \$10.4m) loan to Chevron Netherlands Finance BV which attracts interest payable at the daily effective federal funds rate minus 25 basis points, is unsecured and repayable on demand.

**CHEVRON ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****11. Pension commitments**

The Chevron Pension Plan (the 'Plan') was formed on the last day of the 2002 reporting year, through the merger of the Texaco Pension Plan and Chevron Group UK Pension Plan and contracts of service of all UK employees were transferred to Chevron United Kingdom Limited, the sponsoring company, on 1 January 2003. Responsibility for the governance of the plan – including investment decisions and contribution schedules – lies jointly with the Company and the board of directors of the fund.

On 1 July 2012, the Company by way of a written resolution accepted the transfer of the employment function from Chevron United Kingdom Limited.

The Plan is a funded Plan and Trustee's funding objective is to hold assets which are at least equal to the technical provisions, i.e., to meet the statutory funding objective. The contributions paid to the Plan are agreed by the Trustee and Company every three years, after obtaining actuarial advice of the Scheme Actuary. Principal factors in determining the level of contributions include the covenant offered by the sponsor, the level of risk in the Plan, the expected return on the Plan's assets and the discontinuance funding level. The Company will not be paying any contributions over the year ended 31 December 2022 other than paying expenses related to the Scheme.

The most recent comprehensive actuarial valuation was carried out by the Trustee of the Plan as at 31 December 2019 for funding purposes. The Company has employed an independent actuary to approximately update the actuarial valuation for differences between the actuarial assumptions used by the Plan for funding purposes and those adopted by the Company to measure the Defined Benefit Obligation, as well as adjusting for benefit accrual and benefits paid from Plan.

The Company is the sponsor of a defined benefit pension plan with assets held in a separately administered fund. The plan provides retirement benefits on the basis of members' final salary.

The group operates a registered defined benefit pension scheme in the UK (the Chevron UK Pension Plan) and a non-registered Unfunded Retirement Benefits plan (the URB). Assets are held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. Plan assets held in the fund are governed by local regulations and practice in the United Kingdom.

The URB was introduced during 2012. An actuarial valuation of the Chevron UK Pension Plan and the URB, using the projected unit method, was carried out at 31 December 2021 by Willis Towers Watson Limited, a qualified independent actuary.

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of the cost under an agreed group policy throughout the years shown.

**Actuarial Assumptions**

<i>The major assumptions used by the actuary were:</i>	<b>2021</b>	<b>2020</b>
Discount rate	<b>1.9%</b>	<b>1.5%</b>
Salary increases	<b>3.8%</b>	<b>3.3%</b>
Retail price inflation	<b>3.4%</b>	<b>2.9%</b>
Consumer price inflation	<b>3.0%</b>	<b>2.5%</b>
<b>Pension increases:</b>		
Pre-April 1997 benefit	<b>0.0%</b>	<b>0.0%</b>
April 1997 to April 2005 benefit	<b>2.9%</b>	<b>2.5%</b>
Post April 2005 benefits	<b>2.1%</b>	<b>1.9%</b>

The demographic assumptions for FRS 102 purposes as at 31 December 2021 (and at 31 December 2020) are based on the demographic assumptions underlying the formal actuarial (funding) valuation carried out as at 31 December 2019. These assumptions were agreed by the Company and the Plan's Trustee and reflect the postcode mortality analysis of the Plan's

**CHEVRON ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****11. Pension commitments (continued)**

members. The rates of mortality improvements from 2020 reflect the latest core projection models published by the UK actuarial profession with a long-term trend of 1.25% pa

Weighted average life expectancy implied under the mortality tables used to determine benefit obligations are:

	2021	2020
Male aged 45 now	23.2 years	23.2 years
Male aged 65 now	22.0 years	21.9 years
Female aged 45 now	26.3 years	26.2 years
Female aged 65 now	24.9 years	24.8 years

<b>Plan Asset Information (Allocation Percentage)</b>	<b>2021</b>	<b>2020</b>
Equity securities	23.0%	24.0%
Debt securities	66.0%	69.0%
Real estate/property	7.0%	5.0%
Other	4.0%	2.0%
Total	100.0%	100.0%

The actual return on Plan assets was a gain of \$159.1m (2020: gain of \$432.7m).

**Changes in Defined Benefit Obligation (DBO) and Assets**

	Defined benefit obligation		Fair value of plan assets		Net asset	
	2021	2020	2021	2020	2021	2020
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Balance at 1 January</b>	<b>3,751.7</b>	<b>3,349.2</b>	<b>4,061.9</b>	<b>3,580.3</b>	<b>(310.2)</b>	<b>(231.1)</b>
<b><i>Included in Profit and Loss</i></b>						
Effect of employee service in current year	47.0	49.7	-	-	47.0	49.7
Interest cost on the DBO	56.4	64.7	-	-	56.4	64.7
Interest income on Plan assets	-	-	61.1	69.5	(61.1)	(69.5)
Employer contributions	-	-	2.3	26.8	(2.3)	(26.8)
Benefits paid directly by the Company	(13.9)	(5.0)	-	-	(13.9)	(5.0)
Administrative cost paid	-	-	(1.0)	-	1.0	-
Benefits paid from Plan assets	(131.0)	(112.0)	(131.0)	(112.0)	-	-
<b><i>Included in OCI</i></b>						
Remeasurement of the DBO	(82.1)	293.6	-	-	(82.1)	293.6
Return on Plan assets greater/(less) than discount rate	-	-	98.0	363.2	(98.0)	(363.2)
<b><i>Other items included in Profit and Loss</i></b>						
Plan introduction, changes, curtailments and settlements	-	(11.6)	-	-	-	(11.6)
Effect of movement in exchange rates	(1.5)	123.1	(4.8)	134.1	3.3	(11.0)
<b>Balance at 31 December</b>	<b>3,626.6</b>	<b>3,751.7</b>	<b>4,086.5</b>	<b>4,061.9</b>	<b>(459.9)</b>	<b>(310.2)</b>

Scheme assets do not include any of the Company's own financial instruments or any property occupied by the Company.

**CHEVRON ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****12. Creditors: Amounts falling due within one year**

	2021	2020
	\$m	\$m
Amounts owed to group undertakings	1.7	28.1
Share-based payment liabilities to employees (ESIP)	1.4	1.3
Accruals and deferred income	0.1	-
	<u>3.2</u>	<u>29.4</u>

Amounts owed to group undertakings are unsecured, non-interest bearing and have no specific repayment dates.

**13. Creditors: Amounts falling due after more than one year**

	2021	2020
	\$m	\$m
Loan from other Chevron Corporation entity – (ESIP)	0.9	1.1
	<u>0.9</u>	<u>1.1</u>

Refer to note 6 for details relating to share-based payment liabilities to employees.

**14. Deferred tax liability**

	2021	2020
	\$m	\$m
Deferred tax liability relating to pension surplus:		
Balance at beginning of year	(58.9)	(39.3)
Deferred tax credited to profit and loss account	6.8	0.3
Deferred tax on actuarial gain on pension scheme	(45.0)	(13.2)
Effect of tax rate change	(19.1)	(4.5)
Currency exchange gain / (loss)	1.2	(2.2)
Balance at end of year	<u>(115.0)</u>	<u>(58.9)</u>

**15. Called up share capital**

	2021	2020
	\$m	\$m
Authorised, allotted, called-up and fully paid:		
1,144,000 (2020: 1,144,000) ordinary shares of £1 each	<u>2.2</u>	<u>2.2</u>



**CHEVRON ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****16. Share premium account**

	2021	2020
	\$m	\$m
Share Premium Account	860.6	860.6

**17. Reconciliation of movements in shareholders' funds**

	2021	2020
	\$m	\$m
(Loss) / Profit for the financial year	(20.8)	78.2
Dividends	-	(75.0)
Net (loss) / profit for the financial year	(20.8)	3.2
Transactions with owners, recorded directly in equity	-	6.0
Actuarial gain/(loss) on pension plan, net of tax	117.4	56.4
Net increase/(decrease) in shareholders' funds	96.6	65.6
Opening shareholders' funds	1,138.8	1,073.2
Closing shareholders' funds	1,235.4	1,138.8

**18. Financial instruments**

The Company has the following financial instruments:

	2021	2020
	\$m	\$m
Financial assets at fair value – note 9	6.1	5.1

	2021	2020
	\$m	\$m
Change in fair value of financial assets through profit and loss	2.4	(1.7)

Under *Section 11 FRS102*, the financial assets in relation to the ESIP are valued at fair value with gains/losses recorded through the Profit and Loss. The basis for determining fair value is the quoted market price on the date of the balance sheet.

**19. Ultimate parent company**

The Company's immediate parent undertakings are:

- 80.07% Chevron Captain Company LLC incorporated in the United States of America, and whose principal place of business is at 1 Westferry Circus, Canary Wharf, London E14 4HA, United Kingdom, and
- 19.93% Chevron Netherlands BV incorporated in the Netherlands, and whose principal place of business is at Petroleumweg 32, 3196 KD Vondelingenplaat, Rotterdam, The Netherlands.

The ultimate parent undertaking and controlling party is Chevron 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 Chevron Corporation are available to the public and may be obtained from 6001 Bollinger Canyon Road, San Ramon, CA 94583-2324, USA.

**CHEVRON ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**20. Significant events after the end of the reporting year**

**Russia / Ukraine conflict**

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

**Corporation Tax**

On 23rd September 2022, the UK Chancellor delivered a mini-Budget that included plans to cancel the future rate change in corporation tax from 19% to 25% on 1 April 2023. This has not been reflected in the deferred tax liability disclosed, which is based on the future rate of corporation tax enacted as at the balance sheet date (25%).