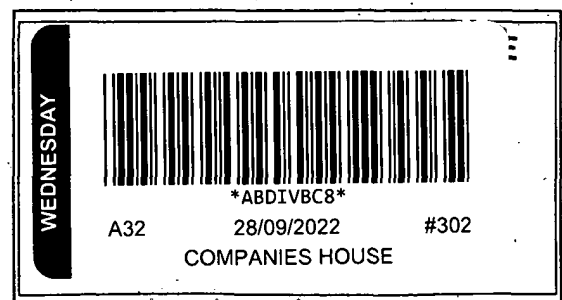


# SEPARATOR SHEET



**BP CHEMICALS LIMITED****(Registered No.00194971)****ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

Board of Directors: C A McCann  
 N C Dunn  
 M E Rudge

The directors present the strategic report, their report and the audited financial statements for the year ended 31 December 2021.

**STRATEGIC REPORT****Results**

The profit for the year after taxation was £5,000 which, when added to the retained profit brought forward at 1 January 2021 of £94,445,000 (restated), gives a total retained profit carried forward at 31 December 2021 of £94,450,000.

**Principal activities and review of the business**

The company and its subsidiary undertakings operated chemicals and plastics manufacturing assets, as well as conducted related research activities.

In 2020, INEOS group acquired the assets of the company as part of the global petrochemicals transactions. Whilst the company was not sold, all the significant business activities and investments previously held by BP Chemicals Limited were transferred to INEOS group. After the transfer, the company ceased to trade on 1 January 2021 and hold investment in a subsidiary.

The key financial and other performance indicators during the year were as follows:

	2021	2020 Restated	Variance
	£000	£000	%
Turnover	—	40,004	(100)
Operating profit	111	45,744	(100)
Profit for the financial year	5	44,639	(100)
Total equity	126,399	126,496	—

The higher profits recorded in the prior year were due to a gain on disposal of intellectual property earned as a result of the sale to INEOS group. The company ceased to trade on 1 January 2021.

**Section 172 (1) statement**

This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the statement required under section 414CZA of the Companies Act 2006 (the "Act").

## STRATEGIC REPORT

### Section 172 (1) statement (continued)

During the course of the year the following primary tasks were undertaken by the Board in line with the principal activities of the company:

- Defining and establishing purpose and strategy including, where relevant, having regard to the purpose, strategy, culture and values defined by BP p.l.c.
- Monitoring the potential challenges presented by the ongoing COVID-19 pandemic, having regard to the company's safe and reliable operations.
- Assessing principal and emerging risks relevant to the company.

The table below demonstrates how the Board has discharged their duties under section 172(1):

Section 172(1)	Overview of performance against section 172(1)
a. The likely long-term consequences of the decision	When setting and delivering on the company's strategy, the directors have regard to the evolving environment in which the company operates and aims to promote the long term success and sustained economic viability of the company.
b. The interests of the company's employees	The directors recognise that employees are vital to the long term success of the company and, as such, engage with employees, and keep them informed on matters of concern to them. During 2021 this included reviewing the impact of Reinvent bp on the workforce and reports on key performance indicators on employee engagement measured by employee 'Pulse' surveys.
c. The need to foster the company's business relationships with suppliers, customers and others	During 2021, the directors reiterated their focus on engagement and fostering relationships with key stakeholders, as well as an increased focus on environment, social and governance ("ESG") matters.  Furthermore, the Board reviewed and considered the company's prompt payment reporting performance and disclosed its practices in respect of the same on a bi-annual basis.
d. The impact of the company's operations on the community and the environment	The directors are committed to bp's group wide policies and aims which protect the community, environment and its people.
e. The desirability to maintain the company's reputation for high standards of business conduct	In 2021 bp continued to operate under its sustainability frame launched in 2020, with aims and objectives linked to the UN Sustainable Development Goals. bp's values of safety, respect, excellence, courage and one team define how the bp group, including the company and its Board, conduct business. Furthermore, bp's code of conduct is based upon its values and it sets clear expectations for how bp, the company and the Board operate. The directors of the company continued to adhere, in good faith, to the bp code of conduct during the year and oversee adherence to the bp code of conduct by the company's employees to ensure the Board and the company maintain a reputation for high standards of business conduct.  bp's code of conduct includes prohibitions on engaging in bribery or corruption in any form, in accordance with bp's group-wide anti-bribery and corruption policy and procedures. During the year, bp continued to engage suppliers and communicate expectations for managing bribery and corruption risk on behalf of bp, where relevant.

**STRATEGIC REPORT****Section 172 (1) statement (continued)**

<b>Section 172(1)</b>	<b>Overview of performance against section 172(1)</b>
f. The need to act fairly between members of the company	The directors aim to balance the needs of various stakeholders when setting and delivering the company's strategy, having regard to long term value creation, including maximising long term shareholder value.

Further information on the bp group policies applicable to the company can be found in BP p.l.c.'s 2021 Annual Report and Form 20-F and the bp Sustainability Report 2021.

**Stakeholder engagement**

For further details on how the company has engaged with stakeholders, fostered relationships with them and how this has impacted decision making, please refer to the Engagement with Stakeholders Statement and Engagement with Employees Statement found in the Directors' Report.

**The company's principal decisions**

The company and the bp group have taken the view that a 'principal' decision is one which is material and strategic in nature and would affect the ability of the company to generate or preserve value over the long term.

During the period, the following principal decisions were taken by the company whilst having regard to the company's stakeholders and other relevant factors:

<b>Principal decision</b>	<b>The relevant factors taken into account during the decision making process</b>
The company sold its shares in BP Portugal -Comercio de Combustiveis E Lubrificantes SA, a bp group entity, to BP Global Investments Limited, a bp group entity, in furtherance of a bp group restructure project.	The directors considered the impact of such a decision of the company having regard to its business relationship within the wider bp group and its shareholder as per s172(1) whilst ensuring it conducts business to the highest standards, acting ethically and transparently as guided by bp's values and code of conduct, as per s172(1).

**Principal risks and uncertainties**

The company aims to deliver sustainable value by identifying and responding successfully to risks. Risk management is integrated into the process of planning and performance management for the bp group.

The risks listed below, separately or in combination, could have a material adverse effect on the implementation of the company's strategy, business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation. Unless stated otherwise, further details on these risks are included within the risk factors in the strategic report of the bp group Annual Report and Form 20-F for the year ended 31 December 2021.

## **STRATEGIC REPORT**

### **Strategic and commercial risks**

#### ***Geopolitical***

The company is exposed to a range of political, economic and social developments and consequent changes to the operating and regulatory environment which could cause business disruption. Political instability, changes to the regulatory environment or taxation, international trade disputes and barriers to free trade, international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism, acts of war and public health situations (including the continued impact of the COVID-19 pandemic or any future epidemic or pandemic) may disrupt or curtail our operations, business activities or investments. These may in turn cause production to decline, limit our ability to pursue new opportunities, affect the recoverability of our assets and our related earnings and cash flow or cause us to incur additional costs, particularly due to the long-term nature of many of our projects and significant capital expenditure required.

#### ***Liquidity, financial capacity and financial, including credit, exposure***

Failure to work within the financial framework set by the bp group could impact the company's ability to operate and result in financial loss.

#### ***Digital infrastructure and cybersecurity***

Breach or failure of the company's or third parties' digital infrastructure or cyber security, including loss or misuse of sensitive information could damage its operations and reputation or increase costs.

Current geopolitical factors have increased these risks.

#### ***Competition***

Inability to remain efficient, maintain a high-quality portfolio of assets, innovate and retain an appropriately skilled workforce could negatively impact delivery of the company's strategy in a highly competitive market.

#### ***Insurance***

The bp group's insurance strategy could expose the bp group to material uninsured losses which in turn could adversely affect the company.

### **Compliance and control risks**

#### ***Ethical misconduct and non-compliance***

Ethical misconduct or breaches of applicable laws by the company's businesses or its employees could be damaging to its reputation, and could result in litigation, regulatory action and penalties.

#### ***Regulation***

Changes in the law and regulation could increase costs, constrain the company's operations and affect its business plans and financial performance.

#### ***Reporting***

Failure to accurately report the company's data could lead to regulatory action, legal liability and reputational damage.

## **STRATEGIC REPORT**

### **Compliance and control risks (continued)**

#### **Financial risk management**

The company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including credit risk. Further details on these financial risks are included within Note 28 of the bp group Annual Report and Form 20-F for the year ended 31 December 2021.

Authorized for issue on behalf of the Board

DocuSigned by:

*Madeline Rudge*

ME Rudge

Director

September 28, 2022

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

**DIRECTORS' REPORT****BP CHEMICALS LIMITED****Directors**

The present directors are listed on page 1.

C A McCann and N C Dunn served as directors throughout the financial year. Changes since 1 January 2021 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
T M Thornton	—	1 February 2021
M E Rudge	1 February 2021	—

**Directors' indemnity**

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Such qualifying third party indemnity provisions for the benefit of the company's directors remain in force at the date of this report.

**Dividends**

The company has not declared any dividends during the year (2020 £65,949,000). The directors do not propose the payment of a dividend (2020 £65,949,000).

**Financial instruments**

In accordance with section 414C of the Companies Act 2006 the directors have included information regarding financial instruments as required by Schedule 7 (Part 6.1) of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in the strategic report under Financial risk management.

**Going concern**

In 2020, INEOS group acquired the assets of the company as part of the global petrochemicals transactions. Whilst the company was not sold, all the significant business activities and investments previously held by BP Chemicals Limited were transferred to INEOS group. After the transfer, the company ceased to trade on 1 January 2021.

The financial statements have been prepared on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All balance sheet items have been presented at the net realizable value as at the end of the reporting period. The company remains in a net asset position and has the ability to meet all the company's liabilities as they fall due.

## **DIRECTORS' REPORT**

### **Future developments**

During 2021 the company discontinued its operations and has ceased to trade. The cessation of trade has caused the going concern assumption to be revoked and the accounts have been prepared on a basis other than that of a going concern. The balance sheet position at the year end will remain with no modifications other than moving all non-current assets and liabilities to current assets and liabilities.

Despite the cessation of trade, the company remains solvent. The directors believe that the company is no longer a going concern, but the company remains in a net asset position and has the ability to meet all the company's liabilities as they fall due. It is the intention of the directors that the company will remain open until the settlement of the discontinued operations is completed.

### **Disabled employees**

The company gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

### **Stakeholder statements**

#### **Employee engagement**

Employees are informed of information on matters of concern to them as employees through bp's intranet and local sites, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, the low carbon transition, and diversity. During the year, the bp group had a number of employee-led forums and business resource groups, as well as virtual 'Keeping Connected' webcasts and site visits by the BP p.l.c. board as part of the workforce engagement programme. Through these employee engagement events, bp aims to also build constructive relationships with labour unions formally representing some employees. On an ongoing basis bp, and the Board of the company, hears directly from employees on a range of topics, including bp's purpose and strategy, employee sentiment – particularly during the reorganisation of bp – the impact of COVID-19 on operations and wellbeing, diversity and career progression. In light of the ongoing COVID-19 pandemic, and to ensure the safety of its employees, certain bp employees were told to work from home when necessary which constituted a principal decision of bp and, if applicable, the company.

Employee share ownership is encouraged and there are a number of employee share plans in place at bp group level. For example, the bp group operates a ShareMatch plan in more than 50 countries, matching BP p.l.c. shares purchased by our employees. The bp group also operates a group-wide discretionary share plan, which allows employee participation at different levels globally and is linked to the bp group's performance and in 2021 the Reinvent bp share award was introduced to incentivize our employees in meeting our aims.

Employees are consulted on a regular basis through regular team and one-to-one meetings, and bp's annual 'Pulse' survey whereby the 'Pulse' employee engagement score acts as a key performance indicator for bp. A new overall engagement metric was introduced in 2021, which scored 64%. Pride in working for bp remained strong at 73% but has declined by 2 percentage points since 2019. bp has committed to centrally focus on and direct action planning in four key areas to strengthen engagement: connecting with purpose and strategy, future excitement, career development and inclusion.



## **DIRECTORS' REPORT**

### **Stakeholder statements (continued)**

#### **Employee engagement (continued)**

The company engages with its employees to create an environment where its people can continue to learn and establish their careers alongside adding value to the attainment of the company's initiatives. The company promotes the use of specific lines of communication such as employee surveys, the bp group's intranet, webinars, email updates, social media channels, business performance updates and presentations, among other things.

A stakeholder review is conducted during the bp group and/or Board's decision-making process and employee's views are taken into account in decisions likely to affect their interests. Employee engagement is discussed and considered by the Board at Board meetings on a regular basis.

Where applicable, any principal decisions taken by the Board in relation to the employees and the effect having regard to employee interests had on the decision making are detailed in the section 172(1) statement within the Strategic Report.

#### **Engagement with other stakeholders**

The Board recognises the importance of considering and having regard to key stakeholders and their interests when making decisions. By thoroughly understanding the company's key stakeholder groups, the Board can successfully consider and address the needs of these stakeholders and foster good business relationships with them. The company considers its employees, governments, shareholders, customers, suppliers and communities within the countries it operates.

The Board are committed to doing business ethically and transparently, using bp's values and code of conduct to guide them when engaging and working with business partners. The company's activities, and the decisions of its Board, affect a wide variety of individuals and organisations. The Board engages with its stakeholders, listening to their differing needs and priorities as an everyday part of business, and utilising the feedback received to inform the Board's decision-making.

As noted in the section 172(1) statement within the Strategic Report, responsibility for decisions that impact the entire bp group are taken by the Board of BP p.l.c. On behalf of the company, the bp group is a member of industry associations that offer opportunities to share good practices and collaborate on issues of importance. Additionally, the bp group works with governments on a range of issues that are relevant to its business, from regulatory compliance and understanding tax liabilities, to collaborating on community initiatives.

Regularly engaging with stakeholders is a priority for the company and the below table describes how the Board had regard to the need to foster relationships with the company's key stakeholders, how outcomes were considered and how concerns were identified and addressed during the reporting period. Further details of these decisions, and if applicable any principal decisions in relation to the stakeholders, are discussed in the section 172(1) statement:

Stakeholders	Stakeholders' interests	How we have fostered relationships	How the fostering of relationships impacted decision making
Employees	For details on how the company has engaged with its employees, how the directors had regard to those employees' interests, and the impact upon the same, including on the decisions taken during the reporting period, refer to the Engagement with Employees Statement in the Directors' Report.		

**DIRECTORS' REPORT****Stakeholder statements (continued)****Engagement with other stakeholders (continued)**

<b>Stakeholders</b>	<b>Stakeholders' interests</b>	<b>How we have fostered relationships</b>	<b>How the fostering of relationships impacted decision making</b>
<b>Shareholder</b>	The company is 100% owned by BP International Limited. The company is committed to maximising long term shareholder value, in whatever form, when taking its decisions.	bp group functions, across Tax, Treasury and Finance, in conjunction with senior management, make recommendations to declare dividends, where relevant, via a thorough feasibility analysis process as part of its System of Internal Control, ensuring the appropriate amount of dividend and associated impact are duly considered. The company reports to its shareholder on a regular basis in the form of its financial statements and, where applicable, its business, strategic plans and key risks.	One of the company's strategic aims is to pursue strategic growth to maximise long term value for its shareholder. The company's compliance with the bp group's System of Internal Control assists the Board when considering whether to declare dividends, the amount of dividend and any associated impact. Specifically, the Board will review relevant internal functional assurance advice notes when considering the declaration of a dividend to its shareholder.
<b>Government/Regulators</b>	For the company to create valued relationships with Government/Regulators centred around ethics and transparency, and discuss relevant regulations and guidance where necessary.	The company keeps the Government/Regulators informed of any significant changes to the company.	Management and/or, where significant, the Board are provided with updates on changes in regulation and/or legislation impacting the company. The information received supports effective decision making by the Board when considering the company's compliance with said regulations and/or legislation. The company continually engages with local government bodies and/or regulators to ensure it is conducting itself in accordance with relevant laws/regulation to ensure its good standing, trust and respect in society and longevity.

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

As a UK subsidiary of a UK parent company which prepares a group directors' report, SECR reporting details are included in the strategic report of the bp group Annual Report and Form 20-F for the year ended 31 December 2021.

**Auditors**

Pursuant to section 487 of the Companies Act 2006, Deloitte LLP have expressed their willingness to continue in office as auditors and are therefore deemed reappointed as auditors.

## **DIRECTORS' REPORT**

### **Directors' statement as to the disclosure of information to the auditor**

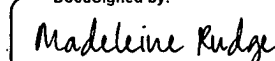
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of the auditor's report of which the company's auditor is unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Authorized for issue on behalf of the Board

DocuSigned by:



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M E Rudge

Director

September 28, 2022

### **Registered Office:**

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT  
OF THE FINANCIAL STATEMENTS**

**BP CHEMICALS LIMITED**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with these requirements. Details of the directors' assessment of going concern are provided in the directors' report.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BP CHEMICALS LIMITED**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of BP Chemicals Limited (the company):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **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 Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

##### **Emphasis of matter - Financial statements prepared other than on a going concern basis**

We draw attention to Note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of going concern. Our opinion is not modified in respect of this matter.

##### **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 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.

##### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, 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.

## **INDEPENDENT AUDITOR'S REPORT**

### **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.

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 auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

### **Report on other legal and regulatory requirements**

#### **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.

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 any material misstatements in the strategic report or the directors' report.

## **INDEPENDENT AUDITOR'S REPORT**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

### **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.

DocuSigned by:

*David Holtam*

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David Holtam FCA (Senior Statutory Auditor)

**for and on behalf of Deloitte LLP Statutory Auditor**

London, United Kingdom

September 28, 2022

**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2021****BP CHEMICALS LIMITED**

		2021	2020
	Note	£000	Restated £000
<b>Turnover</b>	<b>3</b>	—	40,004
Administrative expenses		(97)	(36,699)
Other operating income	<b>3</b>	208	791
Profit on sale of operations		—	41,648
<b>Operating profit</b>	<b>4</b>	111	45,744
Tax on profit	<b>6</b>	(106)	(1,105)
<b>Profit for the financial year</b>		<u>5</u>	<u>44,639</u>

The profit of £5,000 for the year ended 31 December 2021 was derived in its entirety from activities post the cessation of trade.

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

There is no comprehensive income attributable to the shareholders of the company other than the profit for the year.



**BALANCE SHEET****AS AT 31 DECEMBER 2021****BP CHEMICALS LIMITED****(Registered No.00194971)**

		2021	2020
		£000	Restated £000
<b>Current assets</b>	<b>Note</b>		
Investments	8	23,675	23,675
Debtors: amounts falling due within one year	9	102,224	102,294
Cash at bank and in hand		597	534
		<u>126,496</u>	<u>126,503</u>
<b>Creditors: amounts falling due within one year</b>	<b>10</b>	(97)	(7)
<b>NET ASSETS</b>		<u>126,399</u>	<u>126,496</u>
<b>Capital and reserves</b>			
Called up share capital	11	12,500	12,500
Share premium account	12	8,724	8,724
Other reserves	12	10,725	10,827
Profit and loss account	12	94,450	94,445
<b>TOTAL EQUITY</b>		<u>126,399</u>	<u>126,496</u>

Authorized for issue on behalf of the Board

DocuSigned by:

*Madeline Rudge*

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M E Rudge

Director

September 28, 2022

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

**BP CHEMICALS LIMITED**

	Called up share capital (Note 11)	Share premium account (Note 12)	Other reserves (Note 12)	Profit and loss account (Note 12)	Total
	£000	£000	£000	£000	£000
<b>Balance at 1 January 2020</b>	12,500	8,724	—	124,883	146,107
Prior year adjustment	—	—	9,128	(9,128)	—
<b>Balance at 1 January 2020 (restated)</b>	12,500	8,724	9,128	115,755	146,107
Profit for the financial year, representing total comprehensive income (restated)	—	—	—	44,639	44,639
Capital contribution for equity-settled share-based payments (restated)	—	—	1,699	—	1,699
Dividends paid	—	—	—	(65,949)	(65,949)
<b>Balance at 31 December 2020 (restated)</b>	12,500	8,724	10,827	94,445	126,496
Profit for the financial year, representing total comprehensive income	—	—	—	5	5
Capital contribution for equity-settled share-based payments	—	—	(102)	—	(102)
<b>Balance at 31 December 2021</b>	<u>12,500</u>	<u>8,724</u>	<u>10,725</u>	<u>94,450</u>	<u>126,399</u>

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2021****BP CHEMICALS LIMITED****1. Authorization of financial statements and statement of compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)**

The financial statements of BP Chemicals Limited for the year ended 31 December 2021 were approved by the board of directors on 28 September 2022 and the balance sheet was signed on the board's behalf by M E Rudge. BP Chemicals Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 00194971). The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

**2. Significant accounting policies, judgements, estimates and assumptions**

The significant accounting policies and critical accounting judgements, estimates and assumptions of the company are set out below.

**Basis of preparation**

These financial statements have been prepared in accordance with FRS 101. The accounts have been prepared on a basis other than that of a going concern and all balance sheet items have been moved to current and have been presented at the net realisable value as at the end of the reporting period.

The accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated.

These financial statements are separate financial statements. The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare consolidated financial statements, because it is included in the group financial statements of BP p.l.c. Details of the parent in whose consolidated financial statements the company is included are shown in Note 16 to the financial statements.

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2006. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- (a) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- (b) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: paragraph 79(a)(iv) of IAS 1;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective;
- (e) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- (f) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment';
- (h) the requirements of IFRS 7 Financial Instruments: Disclosures.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **2. Significant accounting policies, judgements, estimates and assumptions (continued)**

#### **Basis of preparation (continued)**

Where required, equivalent disclosures are given in the group financial statements of BP p.l.c. The group financial statements of BP p.l.c. are available to the public and can be obtained as set out in Note 16.

The financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

#### **Significant accounting policies: use of judgements, estimates and assumptions**

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from the estimates and assumptions used. The accounting judgements and estimates that have a significant impact on the results of the company are set out within the boxed text below, and should be read in conjunction with the information provided in the Notes to the financial statements.

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: impairment of investments.

The COVID-19 pandemic, climate change, the energy transition, bp's strategy to 2030 and ambition to become a net-zero company by 2050 or sooner were considered in preparing the bp group consolidated financial statements. These issues are not expected to have significant impacts on the currently reported amounts of the company's assets and liabilities.

#### **Significant accounting policies**

##### **Going concern**

In 2020, INEOS group acquired the assets of the company as part of the global petrochemicals transactions. Whilst the company was not sold, all the significant business activities and investments previously held by BP Chemicals Limited were transferred to INEOS group. After the transfer, the company ceased to trade on 1 January 2021.

The financial statements have been prepared on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All balance sheet items have been presented at the net realizable value as at the end of the reporting period. The company remains in a net asset position and has the ability to meet all the company's liabilities as they fall due.

##### **Foreign currency**

The functional and presentation currency of the financial statements is Pound Sterling. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **2. Significant accounting policies, judgements, estimates and assumptions (continued)**

#### **Investments**

Investments in subsidiaries are held at cost. The company assesses investments for an impairment indicator annually. If any such indication of possible impairment exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Where these circumstances have reversed, the impairment previously made is reversed to the extent of the original cost of the investment.

#### ***Significant judgements and estimates: impairment of investments***

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Determination as to whether, and how much, an investment is impaired involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products.

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Management judgement is required to determine whether an indicator of potential impairment exists in relation to the company's investments. No such indicators have been identified during the current year and therefore no impairment test has needed to be performed. Accordingly, the recoverable amount of the investment has not needed to be estimated, nor any assumptions made, and no sensitivity analysis has been required. Details of the carrying value of the investments are provided in Note 8.

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#### **Financial assets**

Financial assets are recognized initially at fair value, normally being the transaction price. In the case of financial assets not at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below. The company derecognizes financial assets when the contractual rights to the cash flows expire or the rights to receive cash flows have been transferred to a third party along with either substantially all of the risks and rewards or control of the asset. This includes the derecognition of receivables for which discounting arrangements are entered into.

The financial assets are measured at net realizable value. This category of financial assets includes amounts owed from parent undertakings and tax receivable.

#### **Financial liabilities**

Financial liabilities are initially recognized at fair value, net of directly attributable transaction costs. For interest-bearing loans and borrowings this is typically equivalent to the fair value of the proceeds received net of issue costs associated with the borrowing.

The financial liabilities are measured at net realizable value. This category of financial liabilities includes accruals.

#### **Financial guarantees**

The company issues financial guarantee contracts to make specified payments to reimburse holders for losses incurred because certain third-party entities fail to make payments when due in accordance with the original or modified terms of a debt instrument such as a loan. The liability for a financial guarantee contract is initially measured at fair value and subsequently measured at the higher of the contract's estimated expected credit loss and the amount initially recognized less, where appropriate, cumulative amortization.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **2. Significant accounting policies, judgements, estimates and assumptions (continued)**

#### **Offsetting of financial assets and liabilities**

Financial assets and liabilities are presented gross in the balance sheet unless both of the following criteria are met: the company currently has a legally enforceable right to set off the recognized amounts; and the company intends to either settle on a net basis or realize the asset and settle the liability simultaneously. If both of the criteria are met, the amounts are set off and presented net. A right of set off is the company's legal right to settle an amount payable to a creditor by applying against it an amount receivable from the same counterparty. The relevant legal jurisdiction and laws applicable to the relationships between the parties are considered when assessing whether a current legally enforceable right to set off exists.

#### **Employee benefits**

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the company. The accounting policies for share-based payments and for pensions and other post-retirement benefits are described below.

#### **Share-based payments**

##### ***Equity-settled transactions***

The cost of equity-settled transactions with employees of the company is measured by reference to the fair value at the date at which equity instruments are granted and is recognized as an expense over the vesting period, which ends on the date on which the employees become fully entitled to the award. A corresponding credit is recognized within equity. Fair value is determined by using an appropriate valuation model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions). Non-vesting conditions, such as the condition that employees contribute to a savings-related plan, are taken into account in the grant-date fair value, and failure to meet a non-vesting condition, where this is within the control of the employee, is treated as a cancellation and any remaining unrecognized cost is expensed.

For other equity-settled share-based payment transactions, the goods or services received and the corresponding increase in equity are measured at the fair value of the goods and services received unless their fair value cannot be reliably estimated. If the fair value of the goods and services received cannot be reliably estimated, the transaction is measured by reference to the fair value of the equity instruments granted.

##### ***Cash-settled transactions***

The cost of cash-settled transactions is recognized as an expense over the vesting period, measured by reference to the fair value of the corresponding liability which is recognized on the balance sheet. The liability is re-measured at fair value at each balance sheet date until settlement, with changes in fair value recognized in the profit and loss account.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **2. Significant accounting policies, judgements, estimates and assumptions (continued)**

#### **Pensions**

The sponsoring employer for the BP Pension Fund is BP p.l.c. The directors have assessed in accordance with IAS 19 Employee Benefits that BP p.l.c applies defined benefit pension accounting for this defined benefit plan that shares risks between entities under common control. There is no contractual agreement or stated policy in place for charging to individual group entities. The net defined benefit cost for the plan as a whole is measured in accordance with IAS 19 and as a result, the Company recognizes only a cost equal to the contribution payable for the period as if they were contributions to a defined contribution scheme. Relevant disclosures in relation to the plan are included in the accounts of BP p.l.c.

In the BP p.l.c accounts, pension plan assets are measured at fair value and pension plan liabilities are measured on an actuarial basis using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the plan liabilities. Actuarial gains and losses are recognized in full in this company's statement of total recognized gains and losses in the period in which they occur.

#### **Taxation**

Income tax expense represents the sum of current tax and deferred tax.

Income tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related tax is recognized in other comprehensive income or directly in equity.

Current tax is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it is determined in accordance with the rules established by the applicable taxation authorities. It therefore excludes items of income or expense that are taxable or deductible in other periods as well as items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the balance sheet method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences..
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, where the company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. An exception is where the deferred tax asset relates to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

**NOTES TO THE FINANCIAL STATEMENTS****2. Significant accounting policies, judgements, estimates and assumptions (continued)****Taxation (continued)**

In respect of deductible temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

Where tax treatments are uncertain, if it is considered probable that a taxation authority will accept the company's proposed tax treatment, income taxes are recognized consistent with the company's income tax filings. If it is not considered probable, the uncertainty is reflected within the carrying amount of the applicable tax asset or liability using either the most likely amount or an expected value, depending on which method better predicts the resolution of the uncertainty.

**Turnover**

Revenue from contracts with customers is recognized when or as the company satisfies a performance obligation of a promised service to a customer. Revenue is recognized when the service is performed, in accordance with the terms of the contractual arrangements and in the accounting period in which the services are rendered.

When, or as, a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled. The transaction price is allocated to the performance obligations in the contract based on standalone selling prices of the goods or services promised.

Royalty revenues are recognized on an accrual basis in accordance with the substance of the relevant agreement and when it can be reliably measured.

**Research costs**

Research costs are expensed as incurred.

**Dividends payable**

Final dividends are recorded in the financial statements in the year in which they are approved by the company's shareholders. Interim dividends are recorded in the year in which they are approved and paid.



**NOTES TO THE FINANCIAL STATEMENTS****2. Significant accounting policies, judgements, estimates and assumptions (continued)****Updates to significant accounting policies****Impact of new International Financial Reporting Standards**

bp adopted amendments to IFRS 9 "financial instruments - Interest Rate Benchmark Reform (Phase II)", IFRS 16 "Leases" with effect from 1 January 2021. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the company's financial statements.

The adoption of 'Interest Rate Benchmark Reform – Phase II' – Amendments to IFRS 9 'Financial instruments', IFRS 16 'Leases' has had no material impact on the company's financial statements.

**3. Turnover**

An analysis of the company's turnover is as follows:

	2021	2020
	£000	£000
Rendering of services	—	36,850
Royalty revenues	—	3,154
	—	40,004
Other operating income	208	791
	<u>208</u>	<u>40,795</u>

An analysis of turnover by geographical market is set out below:

	2021	2020
	£000	£000
By geographical area:		
UK	—	36,850
USA	—	1,368
Rest of World	—	1,786
Total	<u>—</u>	<u>40,004</u>

**4. Operating profit**

This is stated after charging:

	2021	2020
	£000	£000
Research costs expensed <sup>a</sup>	<u>—</u>	<u>12,829</u>

<sup>a</sup> Amount is included in Administrative expenses.

**NOTES TO THE FINANCIAL STATEMENTS****5. Auditor's remuneration**

	2021	2020
	£000	£000
Fees for the audit of the company	22	19

Fees paid to the company's auditor, Deloitte LLP and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of BP Chemicals Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

The fees were borne by another group company.

**6. Taxation**

The company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010.

The taxation charge in the profit and loss account is made up as follows:

	2021	2020
	£000	£000
<u>Current tax</u>		
UK corporation tax on income for the year	—	791
UK tax underprovided in prior years	106	—
	106	791
Overseas tax on income for the year	—	314
Tax charged on profit	106	1,105

**(a) Reconciliation of the effective tax rate**

The tax assessed on the profit for the year is higher than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2021 (2020 19%). The differences are reconciled below:

	2021	2020
	UK	UK
	£000	£000
Profit before tax	111	45,744
Tax charge	106	1,105
Effective tax rate	96%	2%

	2021	2020
	UK	UK
	%	%
UK corporation tax rate:	19	19
(Decrease)/ increase resulting from:		
(Non-taxable income) / non-deductible expenditure	(36)	1
Adjustments in respect of prior years	96	—
Free group relief	17	(17)
Movements in unrecognized deferred tax	—	(1)
Effective tax rate	96	2

**NOTES TO THE FINANCIAL STATEMENTS****6. Taxation (continued)****(a) Reconciliation of the effective tax rate (continued)**

The reconciling items shown above are those that arise for UK corporation tax purposes, rather than overseas tax purposes.

**Change in corporation tax rate**

On 3 March 2021, the UK Government announced an increase in the UK's main corporation tax rate from 19% to 25%, effective from 1 April 2023. On 23 September 2022, the Chancellor of the Exchequer announced that the planned corporation tax rate change to 25% would no longer be implemented and that the main rate would remain at 19%. This change has yet to be substantively enacted. As the company has not recognised a deferred tax asset at the balance sheet date, the impact of this rate change has not been calculated.

**(b) Provision for deferred tax**

Deferred tax has not been recognized on deductible temporary differences of £2,880,696 (2020 £2,880,696) related to connected party capital losses with no fixed expiry date on the basis that they are not expected to give rise to any future tax benefit.

**7. Directors and employees****(a) Remuneration of directors**

None of the directors received any fees or remuneration for qualifying services as a director of the company during the financial year (2020 £Nil).

**(b) Employee costs**

	2021	2020
	£000	£000
Wages and salaries	2,566	23,591
Social security costs	378	3,286
Other pension costs	77	3,824
	<u>3,021</u>	<u>30,701</u>

The employee costs noted above relate to those employees with contracts of employment in the name of BP Chemicals Limited.

These costs are borne by other undertakings within the bp group after entity ceased trading, its employees provided services to other undertakings of bp group and cost are recharged to these entities.

(c) The average monthly number of employees during the year was 9 (2020 338).

Average number of employees <sup>a</sup>	2021	2020
	No.	No.
Customers & products	<u>9</u>	<u>338</u>

<sup>a</sup> Information for 2021 has been presented to reflect the changes in the bp group reportable segments. For more information see Note 1 of the bp group Annual Report and Form 20-F for the year ended 31 December 2021.

**NOTES TO THE FINANCIAL STATEMENTS****8. Investments**

	Investment in subsidiaries	Investment in associates	Total
Cost	£000	£000	£000
At 1 January 2020	74,187	18,596	92,783
Additions	—	2,053	2,053
Disposals	(45,300)	(20,649)	(65,949)
At 31 December 2020	28,887	—	28,887
At 1 January 2021	28,887	—	28,887
At 31 December 2021	28,887	—	28,887
<b>Impairment losses</b>			
At 1 January 2020	5,212	—	5,212
At 31 December 2020	5,212	—	5,212
At 1 January 2021	5,212	—	5,212
At 31 December 2021	5,212	—	5,212
<b>Net book amount</b>			
At 31 December 2021	23,675	—	23,675
At 31 December 2020	23,675	—	23,675

The investments in subsidiaries are all stated at cost less provision for impairment.

The investments in the subsidiary undertakings are unlisted.

Disposal of investments to BP International Limited in 2020 were done by way of non-cash dividends of £65,949,000, which is equivalent to the carrying amount. These investments are related to the acetyls, aromatics and related licensing business of the company and included in the sale of petrochemicals business to INEOS group.

The subsidiary of the company at 31 December 2021 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

All voting rights are equal to percentage of share capital owned unless otherwise noted below.

**Subsidiary undertakings**

Company name	Class of share held	%	Registered address	Principal activity
BXL Plastics Limited	Deferred & Ordinary shares	100	Chertsey Road Sunbury on Thames Middlesex TW16 7BP United Kingdom	Plastics

**NOTES TO THE FINANCIAL STATEMENTS****9. Debtors**

Amounts falling due within one year:

	2021	2020
	£000	£000
Amounts owed from parent undertakings	102,224	96,503
Taxation	—	5,791
	<u>102,224</u>	<u>102,294</u>

**10. Creditors**

Amounts falling due within one year:

	2021	2020
	£000	£000
Accruals	—	7
Financial guarantee contracts	97	—
	<u>97</u>	<u>7</u>

On 15 October 2001, the company had entered into a lease of easement with Network Rail Infrastructure Limited in respect of works alongside the Rhonda and Swansea Bay line of railway at Jersey Marine for a term of 40 years. Subsequently on 2 November 2009, the company entered into a License to Assign agreement made between the company, Network Rail Infrastructure Limited and a third party, Baglan Operations Limited. The company is assigned as a guarantor for the third party.

The third party had become insolvent and had defaulted on its rent payments since January 2022. As a result, a liability for a financial guarantee contract is recognized as the company is liable to continue to pay the rent up to the end of the lease term. The future aggregate liability under the guarantee over the remaining term of the lease is estimated to be approximately £97,000.

**11. Called up share capital**

	2021	2020
	£000	£000
Issued and fully paid:		
12,500,000 ordinary shares of £1 each for a total nominal value of £12,500,000	<u>12,500</u>	<u>12,500</u>

**12. Reserves***Called up share capital*

The balance on the called up share capital account represents the aggregate nominal value of all ordinary shares in issue.

*Share premium account*

The balance on the share premium account represents the amounts received in excess of the nominal value of the ordinary shares.

*Profit and loss account*

The balance held on this reserve is the retained profits of the company.

**NOTES TO THE FINANCIAL STATEMENTS****12. Reserves (continued)***Other reserves*

The other reserves record share-based payment transactions.

**13. Related party transactions**

The company has taken advantage of the exemption contained within paragraphs 8(k) and (j) of FRS 101, and has not disclosed transactions entered into with wholly-owned group companies or key management personnel.

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

Related party	Sales to related party £000
BP YPC Acetyls Company (Nanjing) Limited (BAYACO)	
Joint venture	
Chemicals	
2021	—
2020	1,093
Yangtze River Acetyls Co., Ltd (YARACO)	
Joint venture	
Chemicals	
2021	—
2020	158
LOTTE BP Chemical Co., Ltd	
Joint venture	
Chemicals	
2021	—
2020	165
Formosa BP Chemicals Corporation	
Joint venture	
Chemicals	
2021	—
2020	235
BP Petronas Acetyls Sdn. Bhd.	
Joint venture	
Chemicals	
2021	—
2020	135

**NOTES TO THE FINANCIAL STATEMENTS****14. Pensions**

The company is a participating employer in the BP Pension Fund. The BP Pension Fund is separately funded and provides benefits that are computed based on an employee's years of service and final pensionable salary. The plan was closed to new joiners in 2010 and was closed to future accrual on 30 June 2021.

The level of contributions made to the BP Pension Fund is the amount needed to provide adequate funds to meet pension obligations as they fall due. No contributions are expected in 2022.

The obligation and the cost of providing pensions are assessed annually using the projected unit credit method. The most recent formal actuarial valuation for the BP Pension Fund was as at 31 December 2020. The date of the most recent actuarial review was 31 December 2021. During 2021, employer contributions of £86million (2020 £137million) and member contributions of £3million (2020 £4million) were made to the BP Pension Fund. Most of the contributions made by the plan participants after 1 January 2010 into the BP Pension Fund were made under salary sacrifice.

The BP Pension Fund is operated in a way that does not allow the individual participating employing companies in the Pension Fund to identify their share of the underlying assets and liabilities of the fund. Therefore, the company's payments in respect of pension current service cost have been accounted for as an expense as if they were contributions to a defined contribution scheme and no further FRS 101 disclosures are made in these accounts.

The results of the most recent formal actuarial valuation of the BP Pension Fund as at 31 December 2020, have been reflected into the disclosures required by FRS 101 for the year ended 31 December 2021, and are included within the accounts of the ultimate parent undertaking BP p.l.c.

In the BP p.l.c. accounts, pension plan assets are measured at fair value and pension plan liabilities are measured on an actuarial basis using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the plan liabilities.

Remeasurements of the defined benefit liability and asset, comprising actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest) are recognized within this company's statement of total recognized gains and losses in the period in which they occur.

**15. Prior year adjustment**

Other reserves and administrative expenses were understated in prior years. These resulted from share-based payments in the form of BP plc share awards to the company's employees amounting to a total of £10,827,000 being erroneously omitted in the financial statements since 2015. In accordance with the Application Guidance to IFRS 2 (Share-based Payment), the company should have recognized an expense for the services received from its employees for which they had been remunerated in share-based payments, as well as an increase in equity as a contribution from the parent company. As a consequence, comparative information for the year ended 31 December 2020 presented in these financial statements have been restated.

**NOTES TO THE FINANCIAL STATEMENTS****15. Prior year adjustment (continued)**

The following tables summarise the effect of the restatement on the company's profit and loss account, balance sheet and statement of changes in equity:

	<b>2020</b>		<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>As previously reported</b>	<b>Prior year adjustment</b>	<b>As restated</b>
<b><u>Profit and loss</u></b>			
Administrative expenses	(35,000)	(1,699)	(36,699)
Operating profit	47,443	(1,699)	45,744
Profit for the financial year	<u>46,338</u>	<u>(1,699)</u>	<u>44,639</u>
<b><u>Balance sheet</u></b>			
Other reserves	—	10,827	10,827
Profit and loss account	105,272	(10,827)	94,445
Total equity	<u>126,496</u>	<u>—</u>	<u>126,496</u>
	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2020 (as previously stated)	—	124,883	124,883
Prior year adjustment	9,128	(9,128)	—
At 1 January 2020 (restated)	9,128	115,755	124,883
Profit for the financial year (restated)	—	44,639	44,639
Capital contribution for equity-settled share-based payments (restated)	1,699	—	1,699
Dividends paid	—	(65,949)	(65,949)
At 31 December 2020 (restated)	<u>10,827</u>	<u>94,445</u>	<u>105,272</u>

**16. Immediate and ultimate controlling parent undertaking**

The immediate parent undertaking is BP International Limited, a company registered in England and Wales. The ultimate controlling parent undertaking is BP p.l.c., a company registered in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of BP p.l.c. can be obtained from its registered address: 1 St James's Square, London, SW1Y 4PD.