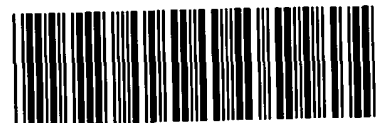


SEPARATOR SHEET

COMPANIES HOUSE BARCODE

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COMPANIES HOUSE

BP KUWAIT LIMITED**(Registered No.00284323)****ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

Board of Directors: M W Perrie
 A J A McAuslan
 D A Pope

The directors present the strategic report, their report and the audited financial statements for the year ended 31 December 2022.

STRATEGIC REPORT**Results**

The profit for the year after taxation was \$52,568,000 which, when added to the retained profit brought forward at 1 January 2022 of \$232,261,000 and reduced by the dividend paid during the year \$200,000,000 gives a total retained profit carried forward at 31 December 2022 of \$84,829,000.

Principal activity and review of the business

The company provides technical and managerial advice and assistance to Kuwait Oil Company (KOC) and Kuwait Integrated Petroleum Industries Company (KIPIC) through a technical services agreement.

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

	2022	2021	Variance
	\$000	\$000	%
Turnover	76,919	84,450	(9)
Operating profit	58,091	71,799	(19)
Profit for the year	52,568	60,448	(13)
Total equity	102,494	248,794	(59)

The decrease in turnover, Operating profit and Profit for the current year is primarily due to lower billing rate for Extended Technical Service Agreement (ETSA) in 2022 as per the discount offered by bp in contractual rates for a year. There has been an increase in secondee cost in current year comparing to previous year due to the team mobilization in country vs working remotely in 2021. The company also provided technical services in 2022 under Downstream Technical Services Agreement with Kuwait Integrated Petroleum Industries Company (KIPIC) which on going from July 2018. The decrease in equity is mainly from deduction of dividend paid during the year \$200,000,000 which gives a total retained profit at 31st December 2022 \$84,829,000.

Section 172 (1) statement**(a) The likely long-term consequences of the decision**

When setting and delivering on the company's strategy, the directors of the company 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 of the company 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. The directors of the company acknowledge the key interests of the employees, which include job security and career development, when making decisions. This includes reviewing the key performance indicators on employee engagement measured by employee 'Pulse' surveys.'

STRATEGIC REPORT

Employee share ownership is encouraged and there are a number of employee share plans in place at bp group level to which employees of the company can participate in. For example, the bp group operates a ShareMatch plan in more than 50 countries, matching BP p.l.c. shares purchased by employees.

In 2022 the bp group launched the 'Who we are' framework of beliefs representing what we stand for at bp and to inspire our employees to and a new learning platform, Grow@bp to enable employees to take ownership of their career and develop skills both for their current roles and future options as bp evolves.

During the year, town halls were held for the company's employees based in Kuwait which covered updates on the bp strategy, Kuwait annual business plan, safety, security and cybersecurity, ethics and compliance, as well as updates on any material changes to the business. Through the town halls, the company aims to build constructive relationships with its employees, and members of the company's leadership team have attended where possible to provide updates and engage with employees directly.

- (c) The need to foster the company's business relationships with suppliers, customers and others**
During 2022, the directors of the company reiterated their focus on engagement and fostering relationships with suppliers and customers, with the need to consider partners, customers and suppliers and how we can help them, specifically addressed in the 'Who we are' belief, 'Care for others'.

In addition, the Board reviewed and considered the Company's Modern Slavery Statement and disclosed its practices in respect of the same on an annual basis.

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.

During the year, the company has engaged with Kuwait Oil Company through joint management committee meetings on a quarterly basis. The joint management committee meetings are contractual obligations and held to manage performance and stakeholder relationships with one of the company's main key stakeholders.

- (d) The impact of the company's operations on the community and the environment**
The directors of the company are committed to the bp group's sustainability aims and objectives – 10 aims to get bp to net zero and help the world get there too, 5 aims to improve people's lives and 5 aims to care for our planet.

The company recognises the importance of supporting its local community and environment. During the year, the company's activities included social investment activities, providing training courses and mentoring to Kuwait Oil Company staff and secondment of Kuwait Oil Company staff to the company to share learnings, and continued investment in high potential Kuwaitis.

- (e) The desirability to maintain the company's reputation for high standards of business conduct**
In 2022, bp continued to make progress against its sustainability aims which set out the areas where bp believes it can make the biggest difference for bp, its stakeholders and society. bp's commitment to safety, having a positive impact and doing the right thing were further enshrined in the new bp 'Who we are' beliefs which also emphasise the importance of following the bp code of conduct.

bp's code of conduct 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 to ensure the board and the company maintain a reputation for high standards of business conduct.

The board considered its impact and decision making In light of the war in Ukraine and bp's announcement of its position in Russia.

STRATEGIC REPORT

(f) The need to act fairly between members of the company

The company is a wholly owned subsidiary with one member and the directors aim to maximise long term shareholder value.

Stakeholder engagement

By understanding the company's key stakeholders, the Board can consider and address the needs of these stakeholders and foster good business relationships with them. The Board has taken time to identify the key interests of the stakeholders and establish regular engagement methods to help the Board to consider and balance stakeholder interests when making decisions.

In addition to the stakeholders set out above, the company considers its key stakeholders groups to include:

a. Joint Venture Partners

The company recognises the need to create valued relationships with its partners and customers in Kuwait, which include Kuwait Oil Company and Kuwait Integrated Petroleum Industries Company, centred around transparency and mutual understanding.

The company is committed to managing performance, amongst other things, with Kuwait Oil Company, and values its existing relationships and facilitates new relationships through relationship mapping and quarterly joint management committee meetings.

The company's principal decisions

The Board recognises the importance of considering and having regard to the Section 172 factors when making decisions, particularly the principal decisions of the company. The company has 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 decision was taken by the company :

Principal decision	The relevant factors taken into account during the decision making process
During the year, the directors considered, approved and paid a dividend as appropriate to the shareholder.	The directors considered the impact of such a decision on the long-term prospects of the company, as well as considering the financial position of the company to ensure that it had sufficient distributable reserves at the time of the dividend.

Principal risks and uncertainties

The bp group manages, monitors and reports on the principal risks and uncertainties that can impact the group's ability to deliver its strategy. The group's system of internal control includes policies, processes, management systems, organizational structures, culture and standards of conduct employed to manage bp's business and associated risks.

Throughout the year, bp management, the leadership team, the board and relevant committees provide oversight of how principal risks to bp are identified, assessed and managed. They support appropriate governance of risk management including having relevant policies in place to help manage risks. Such oversight may include internal audit reports, group risk reports and reviews of the outcomes of business processes including strategy, planning and resource and capital allocation. bp's group risk team analyses the group's risk profile and maintains the group's risk management system. bp's internal audit team provides independent assurance to the chief executive and board as to whether the group's system of internal control

STRATEGIC REPORT

is adequately designed and operating effectively to respond appropriately to the risks that are significant to bp.

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 2022.

Strategic and commercial risks

Prices and markets

The company's financial performance is subject to fluctuating prices of oil, gas and refined products, technological change, exchange rate fluctuations and the general macroeconomic outlook. Oil, gas and product prices are subject to international supply and demand and margins can be volatile. Political developments, increased supply of oil and gas or alternative low carbon energy sources, technological change, global economic conditions, public health situations (including the continued impact of the COVID-19 pandemic or any future epidemic or pandemic) and the influence of OPEC+ can impact supply and demand and prices for our products.

Decreases in oil, gas or product prices could have an adverse effect on revenue, margins, profitability and cash flows. If these reductions are significant or for a prolonged period, bp management may have to write down assets and reassess the viability of certain projects, which may impact future cash flows, profit, capital expenditure, the ability to maintain the company's long-term investment programme. Conversely, an increase in oil, gas and product prices may not improve margin performance as there could be increased fiscal take, cost inflation and more onerous terms for access to resources.

Accessing and progressing hydrocarbon resources and low carbon opportunities

The company's ability to progress upstream resources and develop technologies at a level in line with the group's strategic outlook for hydrocarbon production could impact the company's future production and financial performance. Furthermore, the company's ability to access low carbon opportunities and the commercial terms associated with those opportunities could impact its financial performance and the pace of our transition to an integrated energy company in line with the group's strategy.

Geopolitical

The company is exposed to a range of political developments and consequent changes to the operating and regulatory environment could cause business disruption. These may in turn cause production to decline, limit the company's ability to pursue new opportunities, affect the recoverability of its assets or cause it to incur additional costs. 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 a future epidemic or pandemic) may disrupt or curtail its operations or development activities. 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.

Events in, or relating to Russia and the conflict in Ukraine, including trade restrictions, international sanctions or any other actions taken by governmental authorities or other relevant persons will adversely impact the company's business activities and operations in or relating to Russia, could reduce financial liquidity and adversely impact the company's finances.

Insurance

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

STRATEGIC REPORT

Digital infrastructure and cybersecurity

The energy industry is subject to fast-evolving risks, including ransomware, from cyber threat actors, including nation states, criminals, terrorists, hacktivists and insiders. Current geopolitical factors have increased these risks. There is also growing regulation around data protection and data privacy. A breach or failure of our or third parties' digital infrastructure – including control systems – due to breaches of our cyber defences, or those of third parties, negligence, intentional misconduct or other reasons, could seriously disrupt our operations. This could result in the loss or misuse of data or sensitive information, including employees' and customers' personal data, injury to people, disruption to our business, harm to the environment or our assets, legal or regulatory breaches, legal liability and significant costs including fines, cost of remediation or reputational consequences. Furthermore, the rapid detection of attempts to gain unauthorized access to our digital infrastructure, often through the use of sophisticated and co-ordinated means, is a challenge and any delay or failure to detect could compound these potential harms.

Accessing and progressing hydrocarbon resources and low carbon opportunities

The company's ability to progress upstream resources and develop technologies at a level in line with the group's strategic outlook for hydrocarbon production could impact the company's future production and financial performance. Furthermore, the company's ability to access low carbon opportunities and the commercial terms associated with those opportunities could impact its financial performance and the pace of our transition to an integrated energy company in line with the group's strategy.

Climate change and the transition to a lower carbon economy

Laws, regulations, policies, obligations, government actions, social attitudes and customer preferences relating to climate change and the transition to a lower carbon economy, including the pace of change to any of these factors, and also the pace of the transition itself, could have adverse impacts on our business including on our access to and realization of competitive opportunities in any of our strategic focus areas, a decline in demand for, or constraints on our ability to sell certain products, constraints on production and supply, adverse litigation and regulatory or litigation outcomes, increased costs from compliance and increased provisions for environmental and legal liabilities.

Changes in investor preferences and sentiment could affect our access to capital markets and our attractiveness to potential investors, potentially resulting in reduced access to financing, increased financing costs and impacts upon our business plans and financial performance.

Talent and capability

The sectors in which the bp group operates face increasing challenges to attract and retain diverse, skilled and capable talent. An inability to successfully recruit, develop and retain core skills and capabilities and to reskill existing talent could negatively impact delivery of our strategy.

Crisis management and business continuity

The bp group's reputation and business activities could be negatively impacted if the management does not respond, or is perceived not to respond, in an appropriate manner to any major crisis.

Compliance and control risks

Ethical misconduct and non-compliance

Ethical misconduct or breaches of applicable laws by the company's businesses or its employees 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

Treasury and treasury trading activities

Ineffective oversight of treasury and trading activities could lead to business disruption, financial loss, regulatory intervention or damage to the company's reputation.

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 market risks relating to foreign currency exchange rates and interest rates; and credit risk. Further details on these financial risks are included within Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2022.

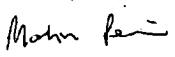
Prices and markets

The company's financial performance is subject to fluctuating prices of oil, gas, petrochemicals and refined products, technological change, exchange rate fluctuations and the general macroeconomic outlook. Political developments, increased supply of oil and gas or low carbon energy sources, technological change, global economic conditions, public health situations and the influence of OPEC can impact supply and demand and prices for our products.

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.

Authorized for issue on behalf of the Board

DocuSigned by:

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M W Perrie
Director

September 27, 2023

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

DIRECTORS' REPORT

BP KUWAIT LIMITED

Directors

The present directors are listed on page 1. There were no further changes in 2022.

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

During the year the company has paid a dividend of \$200,000,000 (2021: \$Nil). The directors do not propose the payment of a final dividend (2021: \$Nil).

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.

Post balance sheet events

There are no material post balance sheet events that require disclosure.

Going Concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The current economic and geopolitical environment were considered as part of the going concern assessment.

Liquidity and financing is managed within BP under pooled group-wide arrangements which include the company. As part of the going concern basis of preparation for the company, the ability and intent of the BP group to support the company has been taken into consideration. The BP group financial statements continue to be prepared on a going concern basis. Forecast liquidity of the bp group has been assessed under a number of stressed scenarios, including a significant decline in oil prices over the 12-month period from the date these financial statements were approved. Reverse stress tests performed indicated that the bp group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero. In addition, bp group management have confirmed the existing intra-group funding and liquidity arrangements as currently constituted are expected to be maintained for the foreseeable future, being no less than twelve months from the approval of these financial statements. No material uncertainties over going concern or significant judgements or estimates on the assessment were identified. Accordingly, the company will be able to draw on support from the bp group for the foreseeable future and these financial statements have therefore been prepared on a going concern basis. For further information on financial risk factors, including credit risk and liquidity risk, see page 6.

The Company is providing third-party operations under Technical Service Agreement to Kuwait Oil Company and Kuwait Integrated Petroleum Industries Company which is generating revenue under fixed commercial terms to ensure the company is in a net asset position and able to meet its liabilities within next twelve months. The company funding requirements are met through the central Treasury organisation, as a result the company is reliant on the overall group funding to continue in operation and meet its liabilities as they fall due in the going concern period. The total debit balance of the internal finance accounts (IFA) in the company is \$70,837,000 funded by BP International Limited. The company has only intercompany trading within the bp group and also has net assets of \$102,494,000 and net current assets of \$102,682,000.

DIRECTORS' REPORT

Going Concern (continued)

In assessing the prospects of BP Kuwait Limited, the directors noted that such assessment is subject to a degree of uncertainty that can be expected to increase looking out over time and, accordingly, that future outcomes cannot be guaranteed or predicted with certainty.

Having a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved, the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth in recent years. They believe that the company is in a good position to take advantage of any opportunities which may arise in the future.

It is the intention of the directors that the business of the company will continue for the foreseeable future.

Statement of engagement with suppliers, customers and others in a business relationship with the company

The board recognises the importance of considering and having regard to key stakeholders and their interests when making decisions. By understanding the company's key stakeholders, the board can consider and address the needs of these stakeholders and foster good business relationships with them.

The board is 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 the board, affect a wide variety of individuals and organisations. The directors engage with the company's stakeholders, listening to their differing needs and priorities as part of their role as a senior leader at bp and use the feedback received to inform the board's decision-making.

The company's section 172(1) statement in the Strategic Report demonstrates how the directors have had regard to the need to foster business relationships with suppliers, customers and other stakeholders when making decisions on behalf of the company.

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 2022.

DIRECTORS' REPORT

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' 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 s418 of the Companies Act 2006.

Approved by the board of directors and signed on behalf of the board by:

DocuSigned by:

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M W Perrie
Director

September 27, 2023

Registered Office:
Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

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

BP KUWAIT 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 KUWAIT LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 18.

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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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;
- 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. As a result of performing the above, we identified a significant audit risk that revenue could be materially overstated, due to potential fraud, in the event that the transactions recorded did not actually occur. We considered presumed risk of fraud in occurrence and accuracy of revenue as revenue is composed of fixed and variable income streams while variable revenue calculation is area of judgement and assumptions. To address this risk, we obtained an understanding of the revenue process, assessed the revenue contracts and reliability of assumptions and performed substantive audit procedures to test a sample of revenue transactions recorded.

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.

INDEPENDENT AUDITOR'S REPORT

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.

Matters on which we are required to report by exception

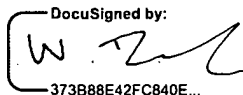
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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:

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William Brooks FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP Statutory Auditor
London, United Kingdom

September 27, 2023

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2022****BP KUWAIT LIMITED**

		<u>2022</u>	<u>2021</u>
	Note	\$000	\$000
Turnover	3	76,919	84,450
Cost of sales		<u>(18,621)</u>	<u>(16,909)</u>
Gross profit		58,298	67,541
Administrative expenses		(9,554)	(6,026)
Other operating income		<u>9,347</u>	<u>10,284</u>
Operating profit	4	58,091	71,799
Interest receivable and similar income	6	<u>4,591</u>	<u>114</u>
Profit before taxation		62,682	71,913
Tax on profit	7	<u>(10,114)</u>	<u>(11,465)</u>
Profit for the financial year		<u><u>52,568</u></u>	<u><u>60,448</u></u>

The profit of \$52,568,000 for the year ended 31 December 2022 was derived in its entirety from continuing operations.

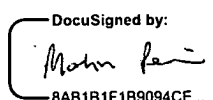
STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2022****BP KUWAIT LIMITED**

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 2022****BP KUWAIT LIMITED****(Registered No.00284323)**

		<u>2022</u>	<u>2021</u>
	Note	\$000	\$000
Fixed assets			
Tangible assets	9	—	—
Deferred tax assets	7	<u>209</u>	<u>110</u>
		209	110
Current assets			
Debtors: amounts falling due within one year	10	119,162	263,807
Cash at bank and in hand		<u>519</u>	<u>596</u>
		119,681	264,403
Creditors: amounts falling due within one year	11	<u>(16,999)</u>	<u>(15,356)</u>
Net current assets		102,682	249,047
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>102,891</u>	<u>249,157</u>
Provisions for liabilities and charges			
Other provisions	13	(397)	(363)
NET ASSETS		<u>102,494</u>	<u>248,794</u>
Capital and reserves			
Called up share capital	14	9,062	9,062
Other reserves	15	8,603	7,471
Profit and loss account	15	84,829	232,261
TOTAL EQUITY		<u>102,494</u>	<u>248,794</u>

Authorized for issue on behalf of the Board

DocuSigned by:

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M W Perrie
 Director

September 27, 2023

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2022****BP KUWAIT LIMITED**

	Called up share capital (Note 14)	Other reserves (Note 15)	Profit and loss account (Note 15)	Total
	\$000	\$000	\$000	\$000
Balance at 1 January 2021	9,062	7,034	171,813	187,909
Profit for the year, representing total comprehensive income	—	—	60,448	60,448
Capital contribution for equity-settled share- based payments	—	437	—	437
Balance at 31 December 2021	9,062	7,471	232,261	248,794
Profit for the year, representing total comprehensive income	—	—	52,568	52,568
Dividends paid			(200,000)	(200,000)
Capital contribution for equity-settled share- based payments	—	1,132	—	1,132
Balance at 31 December 2022	<u>9,062</u>	<u>8,603</u>	<u>84,829</u>	<u>102,494</u>

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2022****BP KUWAIT LIMITED****1. Authorisation of financial statements and statement of compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)**

The financial statements of BP Kuwait Limited for the year ended 31 December 2022 were approved by the board of directors on 27/09/2023 and the balance sheet was signed on the board's behalf by M W Perrie. BP Kuwait Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 00284323). 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.

Principal activity(ies)

The company provides technical and managerial advice and assistance to Kuwait Oil Company (KOC) and Kuwait Integrated Petroleum Industries Company (KIPIC) through a technical service agreement.

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 financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

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

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 under the historical cost convention 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 IFRS 7 Financial Instruments: Disclosures
- (b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement
- (c) 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;
- (d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) 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;
- (g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- (h) 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;
- (i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c)-135(e) of IAS 36, Impairment of Assets
- (j) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment';

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 18.

The financial statements are presented in US dollars and all values are rounded to the nearest thousand dollars (\$000), except where otherwise indicated.

Critical 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.

Significant judgement

There is a significant accounting judgement for variable fee score which is consistent with previous year actual score outcome. The score judgement is consistent with previous years trend and does not impact on the amounts recognized in the financial statements, or create a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The current economic and geopolitical environment, as well as the ongoing impact of COVID 19 were considered as part of the going concern assessment.

Liquidity and financing is managed within the bp group under pooled group-wide arrangements which include the company. As part of the going concern basis of preparation for the company, the ability and intent of the bp group to support the company has also been taken into consideration. The most recent bp group financial statements continue to be prepared on a going concern basis. Forecast liquidity of the bp group has been assessed under a number of stressed scenarios, including a significant decline in oil prices over the 12-month period from the date these financial statements were approved. Reverse stress tests performed indicated that the bp group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero. In addition, bp group management have confirmed the existing intra-group funding and liquidity arrangements as currently constituted are expected to be maintained for the foreseeable future, being no less than twelve months from the approval of these financial statements. No material uncertainties over going concern or significant judgements or estimates on the assessment were identified. Accordingly, the company will be able to draw on support from the bp group for the foreseeable future and these financial statements have therefore been prepared on a going concern basis. For further information on financial risk factors, including credit risk and liquidity risk, see page 6.

NOTES TO THE FINANCIAL STATEMENTS

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

Going Concern (continued)

The Company is providing third-party operations under Technical Service Agreement to Kuwait Oil Company and Kuwait Integrated Petroleum Industries Company which is generating revenue under fixed commercial terms to ensure the company is in a net asset position and able to meet its liabilities within next twelve months.

In assessing the prospects of BP Kuwait Limited, the directors noted that such assessment is subject to a degree of uncertainty that can be expected to increase looking out over time and, accordingly, that future outcomes cannot be guaranteed or predicted with certainty.

Having a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved, the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currency

The functional and presentation currency of the financial statements is US dollars. 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.

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Where this is not practical and exchange rates do not fluctuate materially the average rate has been used. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot exchange on the balance sheet date. Any resulting exchange differences are included in the profit and loss account, unless hedge accounting is applied. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

Tangible assets

Tangible assets owned by the company are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, directly-attributable finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the item will flow to the company, the expenditure is capitalized and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programmes are capitalized and amortized over the period to the next inspection. Overhaul costs for major maintenance programmes, and all other maintenance costs are expensed as incurred.

Tangible assets are depreciated on a straight-line basis over their expected useful lives. The typical useful lives of the company's tangible assets are as follows:

NOTES TO THE FINANCIAL STATEMENTS**2. Significant accounting policies, judgements, estimates and assumptions (continued)****Tangible assets (continued)****Corporate and other**

Motor vehicles 4 years

Office equipment 4 years

Fixtures and fittings

Fixtures and fittings 4 years

The expected useful lives and depreciation method of tangible assets are reviewed on an annual basis and, if necessary, changes in useful lives or the depreciation method are accounted for prospectively.

An item of tangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss account in the period in which the item is derecognized.

Impairment of intangible and tangible assets

The company assesses assets or groups of assets, called cash-generating units (CGUs) for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, for example, changes in the company's business plans, plans to dispose rather than retain assets, changes in commodity prices, low plant utilization, evidence of physical damage or, for oil and gas assets, significant downward revisions of estimated reserves or increases in estimated future development expenditure or decommissioning costs. If any such indication of impairment exists, the company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. If it is probable that the value of the CGU will primarily be recovered through a disposal transaction, the expected disposal proceeds are considered in determining the recoverable amount. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset or CGU is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset or CGU in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's or CGU's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Leases

If the lease term at commencement of the agreement is less than 12 months, a lease liability and right-of-use asset are not recognized, and a lease expense is recognized in the income statement on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

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

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 company classifies its financial assets as measured at amortized cost or fair value through profit or loss. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

Financial assets are classified as measured at amortized cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortized cost. This category of financial assets includes trade and other receivables.

Impairment of financial assets measured at amortized cost

The company assesses on a forward-looking basis the expected credit losses associated with financial assets measured at amortized cost at each balance sheet date. Expected credit losses are measured based on the maximum contractual period over which the company is exposed to credit risk. As lifetime expected credit losses are recognized for trade receivables and the tenor of substantially all other in-scope financial assets is less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the company. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the company expects to receive, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognized in the profit and loss account.

A financial asset or group of financial assets classified as measured at amortized cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the company has no reasonable expectation of recovering amounts due.

Financial liabilities

The measurement of financial liabilities is as follows:

Financial liabilities measured at amortized cost

Financial liabilities are initially recognised at fair value. 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.

After initial recognition, these financial liabilities are subsequently measured at amortized cost. This category of financial liabilities includes trade and other payables and finance debt.

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.

Provisions and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect the risks specific to the liability.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized in the profit and loss account. Provisions are discounted using a nominal discount rate of 3.5% (2021 2.0%).

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed, if material, unless the possibility of an outflow of economic resources is considered remote.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

Taxation (continued)

Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises on the initial recognition of goodwill
- 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. or
- In respect of taxable temporary differences associated with investments in group undertakings 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.

In respect of deductible temporary differences associated with investments in group undertakings 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.

NOTES TO THE FINANCIAL STATEMENTS

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

Turnover (continued)

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.

Interest income

Interest income is recognized as the interest accrues.

Operating Income

The company recognises operating income from the contract revenue for any reimbursement issued by partner as per commercial agreement.

Impact of new International Financial Reporting Standards

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**3. Turnover**

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

	<u>2022</u>	<u>2021</u>
	\$000	\$000
Revenue from contracts with customers		
Rendering of services	76,919	84,450
	<u>76,919</u>	<u>84,450</u>
Other operating income		
Interest receivable and similar income	4,591	114
	<u>81,510</u>	<u>84,564</u>

An analysis of turnover by class of business is set out below:

	<u>2022</u>	<u>2021</u>
	\$000	\$000
Class of business:		
gas & low carbon energy	76,071	82,892
other businesses and corporate	848	1,558
Total	<u>76,919</u>	<u>84,450</u>

The country of origin and destination is substantially the Kuwait geographic area.

4. Operating profit

This is stated after charging:

	<u>2022</u>	<u>2021</u>
	\$000	\$000
Short-term lease (building)	152	142
Net foreign exchange losses	191	85

5. Auditor's remuneration

	<u>2022</u>	<u>2021</u>
	\$000	\$000
Fees for the audit of the company	<u>18</u>	<u>18</u>

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 Kuwait 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. Interest receivable and similar income

	<u>2022</u>	<u>2021</u>
	\$000	\$000
Interest income from amounts owed by group undertakings	<u>4,591</u>	<u>114</u>

NOTES TO THE FINANCIAL STATEMENTS**7. 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:

	2022	2021
	\$000	\$000
<u>Current tax</u>		
Overseas tax on income for the year	10,312	11,430
Total current tax charged	10,312	11,430
<u>Deferred tax</u>		
Origination and reversal of temporary differences	(6)	61
Effect of (decreased) tax rate on opening liability / asset	(2)	(26)
Adjustments in prior year temporary differences	(91)	—
Total deferred tax charged	(99)	35
 Tax charged on profit	 <u>10,213</u>	 <u>11,465</u>

(a) Reconciliation of the effective tax rate

The tax assessed on the profit for the year is lower than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2022 (2021 19%). The differences are reconciled below:

	2022	2021
	\$000	\$000
Profit before tax	62,682	71,801
Tax charge	10,213	11,465
Effective tax rate	16 %	16 %
	<u>2022</u>	<u>2021</u>
	%	%
UK corporation tax rate:	19	19
Overseas corporation tax rate:		
Non-deductible expenditure	—	—
Free group relief	(4)	(6)
Adjustments to tax charge in respect of previous years	1	3
Effective tax rate	<u>16</u>	<u>16</u>

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. This will increase the company's future current tax charge accordingly. This rate change was substantively enacted on 24 May 2021. There is no impact of this rate change on the company's deferred tax position as the company had no deferred tax balances, recognised or unrecognised, at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS**7. Taxation (continued)****(b) Provision for deferred tax**

The deferred tax included in the profit and loss account and balance sheet is as follows:

<u>Deferred tax asset</u>	<u>Profit and loss account</u>		<u>Balance sheet</u>	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Decommissioning and other provisions	(6)	61	—	—
Adjustment in respect of previous periods	(91)			
Depreciation in excess of capital allowance	(2)	(26)	209	110
Net credit for deferred tax assets	(99)	35	209	110
Net deferred tax (credit) / charge	(99)	35	209	110

Analysis of movements during the year

	2022
	\$000
At 1 January 2022	110
Deferred tax credit in the profit and loss account	99
At 31 December 2022	209

8. 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 (2021: \$Nil).

(b) Employee costs

	2022	2021
	\$000	\$000
Wages and salaries	18,477	15,658
Social security costs	7	39
Share-based payment charge	1,132	437
Other employee cost - relocation	738	715
	20,354	16,849

(c) The average monthly number of employees during the year was 50 (2021: 50).

NOTES TO THE FINANCIAL STATEMENTS**9. Tangible assets**

	Fixtures & fittings	Motor Vehicles	Office Equipment	Total
Cost	\$000	\$000	\$000	\$000
At 1 January 2022	364	—	144	508
At 31 December 2022	364	—	144	508
Depreciation				
At 1 January 2022	364	—	144	508
Charge for the year	—	—	—	—
At 31 December 2022	364	—	144	508
Net book value				
At 31 December 2022	—	—	—	—
At 31 December 2021	—	—	—	—

10. Debtors

Amounts falling due within one year:

	2022	2021
	\$000	\$000
Trade debtors	47,829	57,643
Amounts owed from parent undertakings	70,837	206,006
Other debtors	414	117
Prepayments and accrued income	82	41
	119,162	263,807

The amounts owed from parent undertakings comprises a variable rate loan of \$70,837,000 (2021: \$206,006,000). Whilst IFA balances are legally repayable on demand, in practice they have no termination date.

Interest is accrued on a monthly basis based on USD LIBOR.

11. Creditors

Amounts falling due within one year:

	2022	2021
	\$000	\$000
Trade creditors	58	171
Amounts owed to fellow subsidiaries	1,105	2,380
Taxation	13,170	11,398
Accruals and deferred income	2,556	1,407
	16,889	15,356

Materially all of the company's trade payables have payment terms in the range of 30 to 60 days and give rise to operating cash flows.

The payables to fellow subsidiaries and associates consist of trade payable balances related to the operations of the company i.e. mainly secondee cost, with no interest being charged.

NOTES TO THE FINANCIAL STATEMENTS**12. Leases**

Lease payments represent rentals payable by the company for certain of its building which is for short-term. Leases are negotiated for an average term of 1 year or less and rentals are fixed for an average of 1 year or agreed short period with an option to extend for a further 1 year or less at the then prevailing market rate. Leases of buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

	2022	2021
	Buildings	Buildings
	\$000	\$000
Short-term lease expense	142	142
	<u>142</u>	<u>142</u>

13. Other provisions

	Total
	<u>\$000</u>
At 1 January 2022	363
Charged to profit and loss account	34
At 31 December 2022	<u>397</u>

The company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

14. Called up share capital

	2022	2021
	\$000	\$000
Issued and fully paid:		
5,485,107 ordinary shares of £1 each for a total nominal value of £5,485,107	<u>9,062</u>	<u>9,062</u>

15. 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.

Other reserves

The balance held on this reserve represents the equity-settled employee share plans granted to the company's employees by BP p.l.c., at no cost to the company.

Profit and loss account

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

NOTES TO THE FINANCIAL STATEMENTS

16. Guarantees and other financial commitments

The company has not issued any guarantee in 2022 (2021: \$49,375) in respect of liabilities of other third parties.

17. Related party transactions

The company has taken advantage of the exemption contained within paragraphs 8(k) and (j) of ERS 101, and has not disclosed transactions entered into with wholly-owned group companies or key management personnel. There were no other related party transactions in the year.

18. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Exploration Operating Company 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 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.