

**BP CONTINENTAL HOLDINGS LIMITED**

(Registered No.00517403)

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2017**

Board of Directors: J Bertelsen  
M F Giles  
K A Thomson

The directors present the strategic report, their report and the financial statements for the year ended 31 December 2017.

**STRATEGIC REPORT**

**Results**

The profit for the year after taxation was \$115,000 which, when added to the retained profit brought forward at 1 January 2017 of \$10,714,000, gives a total retained profit carried forward at 31 December 2017 of \$10,829,000.

**Principal activity and review of the business**

The company did not trade during the year and recorded only interest income.

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

	2017	2016	Variance
	\$000	\$000	%
Profit for the year	115	13,340	(99)
Total equity	10,830	10,715	1

The decrease in the profit for the year is due to decrease in interest income received on deposits with BP International Limited (BPI). Prior to the dividend payment from the company to BP Global Investments Limited on 14 December 2016, the company had \$3,263,283,000 of cash deposit with BPI. This resulted in the much higher interest income recorded in the previous financial year.

**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 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 2017.



## **STRATEGIC REPORT**

### **Strategic and commercial risks**

#### ***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**

#### ***Regulation***

Changes in the regulatory and legislative environment could increase the cost of compliance.

#### ***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.

#### ***Reporting***

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

### **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 interest rates. Further details on these financial risks are included within Note 27 of the BP Group Annual Report and Form 20-F for the year ended 31 December 2017.

By Order of the Board



For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

14 June 2018

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **DIRECTORS' REPORT**

### **BP CONTINENTAL HOLDINGS LIMITED**

#### **Directors**

The present directors are listed on page 1.

M F Giles, B M Puffer and K A Thomson served as directors throughout the financial year. Changes since 1 January 2017 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
J Bertelsen	11 April 2018	—
B M Puffer	—	6 February 2018
M F Giles	1 January 2017	—
K A Thomson	1 January 2017	—

#### **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 (2016: \$3,253,282,000). The directors do not propose the payment of a dividend.

#### **Future developments**

The directors aim to maintain the management policies which have resulted in the company's stability 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.

## **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.

By Order of the Board



For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

14 June 2018

Registered Office:

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

**BP CONTINENTAL HOLDINGS LIMITED**

The directors are responsible for preparing the Strategic Report, the Directors' 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 and, 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, continue to adopt the going concern basis in preparing the financial statements.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BP CONTINENTAL HOLDINGS LIMITED**

#### **Opinion**

We have audited the financial statements of BP Continental Holdings Limited for the year ended 31 December 2017 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 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

#### **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.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT**

### **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 directors' report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

*Ernst & Young LLP*

Jacqueline Ann Geary (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

21 June 2018

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
**BP CONTINENTAL HOLDINGS LIMITED**

		2017	2016
	Note	\$000	\$000
Interest receivable and similar income	4	115	13,340
<b>Profit before taxation</b>		115	13,340
Taxation	5	—	—
<b>Profit for the year</b>		115	13,340

The profit of \$115,000 for the year ended 31 December 2017 was derived in its entirety from continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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



**BALANCE SHEET**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**BP CONTINENTAL HOLDINGS LIMITED**

**(Registered No.00517403)**

	Note	2017 \$000	2016 \$000
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	10,830	10,715
<b>NET ASSETS</b>		<u>10,830</u>	<u>10,715</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	10,829	10,714
<b>TOTAL EQUITY</b>		<u>10,830</u>	<u>10,715</u>

On behalf of the Board

*Jens Bertelsen*

J Bertelsen

Director

14 June 2018

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**BP CONTINENTAL HOLDINGS LIMITED**

	Called up share capital (Note 8)	Share premium account (Note 9)	Profit and loss account (Note 9)	Total
	\$000	\$000	\$000	\$000
<b>Balance at 1 January 2016</b>	976,496	2,073,484	200,677	3,250,657
Profit for the year, representing total comprehensive income	—	—	13,340	13,340
Dividends paid	—	—	(3,253,282)	(3,253,282)
Reduction of share capital	(976,495)	—	976,495	—
Reduction of share premium	—	(2,073,484)	2,073,484	—
<b>Balance at 31 December 2016</b>	1	—	10,714	10,715
Profit for the year, representing total comprehensive income	—	—	115	115
<b>Balance at 31 December 2017</b>	1	—	10,829	10,830

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **BP CONTINENTAL HOLDINGS 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 Continental Holdings Limited for the year ended 31 December 2017 were approved by the board of directors on 4 June 2018 and the balance sheet was signed on the board's behalf by M F Giles. BP Continental Holdings Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 00517403). 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 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.

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 paragraph 79(a)(iv) of IAS 1;
- (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; and
- (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.

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 11.

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

## NOTES TO THE FINANCIAL STATEMENTS

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

#### **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 accounting policies**

##### **Going concern**

The directors have 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 and the financial statements have therefore been prepared under the going concern basis.

##### **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.

##### **Financial assets**

Financial assets are recognized initially at fair value, normally being the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The subsequent measurement of financial assets depends on their classification as follows:

##### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost. This category of financial assets includes trade and other receivables.

##### **Impairment of financial assets**

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

##### ***Loans and receivables***

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in the profit and loss account.

##### **Interest income**

Interest income is recognised as the interest accrues.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Auditor's remuneration

	2017	2016
	\$000	\$000
Fees for the audit of the company	<u>13</u>	<u>13</u>

Fees paid to the company's auditor, Ernst & Young 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 Continental Holdings 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.

### 4. Interest receivable and similar income

	2017	2016
	\$000	\$000
Interest income from amounts owed by group undertakings	<u>115</u>	<u>13,340</u>

### 5. Taxation

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

#### (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 19.25% for the year ended 31 December 2017 (2016: 20%). The differences are reconciled below:

	2017	2016
	\$000	\$000
Profit before taxation	115	13,340
Tax charge / (credit)	—	—
Effective tax rate	—%	—%

  

	2017	2016
	%	%
UK statutory corporation tax rate:	19.25	20
Decrease resulting from:		
Free group relief	(19.25)	(20)
Effective tax rate	<u>—</u>	<u>—</u>

#### Change in corporation tax rate

The UK corporation tax rate reduced to 19% with effect from 1 April 2017, and will further reduce to 17% from 1 April 2020.

### 6. Directors and employees

#### (a) Remuneration of directors

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2016: \$Nil).

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Directors and employees (continued)

#### (b) Employee costs

The company had no employees during the year (2016: None).

### 7. Debtors

Amounts falling due within one year:

	2017	2016
	\$000	\$000
Amounts owed from fellow subsidiaries	10,830	10,715

### 8. Called up share capital

	2017	2016
	\$000	\$000
Issued and fully paid:		
801 ordinary shares of £1 each for a total nominal value of £801	1	1

### 9. 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. In the previous financial year, the company undertook an exercise to reduce its share premium from \$2,073,484,000 to \$Nil.

#### *Profit and loss account*

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

In 2017, the company paid interim dividends of \$Nil (2016: \$3,253,282,000). The dividend per share was \$Nil (2016 dividend per share: \$5.13).

### 10. 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. There were no other related party transactions in the year.

### 11. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Global Investments 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.