

BP CONTINENTAL HOLDINGS LIMITED**(Registered No.00517403)****ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

Board of Directors: D K Howie

K M Berry

R Wheatley

The directors present their report and the audited financial statements for the year ended 31 December 2020.

In accordance with section 414B (b) of the Companies Act 2006, the directors are taking advantage of the small companies exemption to not prepare a strategic report.

DIRECTORS' REPORT**BP CONTINENTAL HOLDINGS LIMITED****Directors**

The present directors are listed above.

R Wheatley served as a director throughout the financial year. Changes since 1 January 2020 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
D K Howie	9 December 2020	—
K M Berry	9 December 2020	—
B J S Mathews	—	9 December 2020
K A Thomson	—	9 December 2020

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.

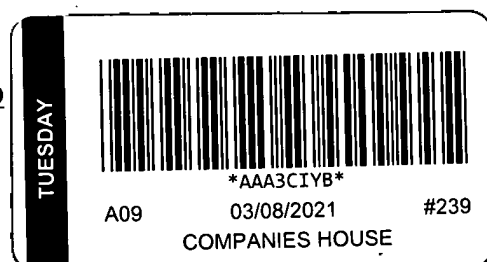
Dividends

The company has not declared any dividends during the year (2019 \$Nil). The directors do not propose the payment of a dividend.

Going concern

The directors have assessed the prospects of the company over a period of at least 12 months. The directors have considered expectations of the position and performance of the company over this period, taking account of its short-term and longer-range plans. Taking into account the company's current position and its principal risks, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over at least the next 12 months.

Since 1 January 2020, there has been significant volatility in the oil and gas prices and refining margins, in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered.



DIRECTORS' REPORT

Going concern (continued)

The company has ongoing funding arrangements with BP International Limited to manage its working capital. The directors' assessment has taken into account the ability of both the company and the bp group to ensure availability of funds at least twelve months from date of approval of these financial statements.

Liquidity and financing is managed within bp under pooled group-wide arrangements which include the company. As part of assuring 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 extending at least twelve months from the date of approval of these financial statements has been assessed at a group level under a number of scenarios and a reverse stress test performed to support the group's going concern assertion. In addition, group management of bp have confirmed that the existing intra-group funding and liquidity arrangements as currently constituted are expected to continue for the foreseeable future, being no less than twelve months from the approval of these financial statements.

In assessing the prospects of BP Continental Holdings 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

In 2020, its parent company, BP Global Investments Limited, has assigned a loan of €5 billion to the company. In return, the company has issued and allotted 4,497,500,000 ordinary shares of £1 each for a total nominal value of \$6,076,810,890 to the parent company at par value. The directors aim to maintain the management policies and 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.

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. 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 2020.

Auditors

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

DIRECTORS' REPORT

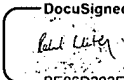
Directors' statement as to the disclosure of information to the auditor

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

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

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

Authorized for issue on behalf of the Board

DocuSigned by:
 01-Aug-2021
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R Wheatley
Director

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

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

BP CONTINENTAL HOLDINGS 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 CONTINENTAL HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 12.

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

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

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.

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, 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

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:

Giles Murphy 02-Aug-2021

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Giles Murphy (Senior Statutory Auditor)

for and on behalf of Deloitte LLP, Statutory Auditor

London, United Kingdom

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2020****BP CONTINENTAL HOLDINGS LIMITED**

		<u>2020</u>	<u>2019</u>
	Note	\$000	\$000
Other operating income		67,286	—
Operating profit	3	<u>67,286</u>	<u>—</u>
Interest receivable and similar income	5	2,595	239
Profit before taxation		<u>69,881</u>	<u>239</u>
Tax on profit	6	—	—
Profit for the financial year		<u><u>69,881</u></u>	<u><u>239</u></u>

The profit of \$69,881,000 for the year ended 31 December 2020 was derived in its entirety from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2020**

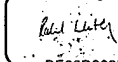
There is no comprehensive income attributable to the shareholders of the company other than the profit for the year.

BALANCE SHEET**AS AT 31 DECEMBER 2020****BP CONTINENTAL HOLDINGS LIMITED****(Registered No.00517403)**

	Note	2020 \$000	2019 \$000
Current assets			
Debtors - amounts falling due:			
within one year	8	13,957	11,281
after one year	8	6,144,016	—
Net current assets		<u>6,157,973</u>	<u>11,281</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,157,973</u>	<u>11,281</u>
NET ASSETS		<u><u>6,157,973</u></u>	<u><u>11,281</u></u>
Capital and reserves			
Called up share capital	9	6,076,812	1
Profit and loss account	10	81,161	11,280
TOTAL EQUITY		<u><u>6,157,973</u></u>	<u><u>11,281</u></u>

Authorized for issue on behalf of the Board

DocuSigned by:



01-Aug-2021

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R Wheatley

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
BP CONTINENTAL HOLDINGS LIMITED

	Called up share capital (Note 9)	Profit and loss account (Note 10)	Total
	\$000	\$000	\$000
Balance at 1 January 2019	1	11,041	11,042
Profit for the financial year, representing total comprehensive income	—	239	239
Balance at 31 December 2019	1	11,280	11,281
Profit for the financial year, representing total comprehensive income	—	69,881	69,881
Issue of share capital	6,076,811	—	6,076,811
Balance at 31 December 2020	6,076,812	81,161	6,157,973

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2020****BP CONTINENTAL HOLDINGS LIMITED****1. Authorization of financial statements and statement of compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)**

The financial statements of BP Continental Holdings Limited for the year ended 31 December 2020 were approved by the board of directors on 30 July 2021 and the balance sheet was signed on the board's behalf by R Wheatley. 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.

Principal activity

The company was set up as a holding company and used to hold investments within the bp group. Its last remaining investment was disposed in January 2010. In 2020, BP Global Investments Limited has assigned a loan of €5 billion to the company. In return, the company has issued and allotted 4,497,500,000 ordinary shares of £1 each for a total nominal value of \$6,076,810,890 to the parent company at par value.

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.

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
- (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 12.

NOTES TO THE FINANCIAL STATEMENTS

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

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

Significant accounting policies: use of judgements, estimates and assumptions

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

The areas requiring the most significant judgement and estimation in the preparation of the financial statements is functional currency.

Judgements and estimates, not all of which are significant, made in assessing the impact of the COVID-19 pandemic, and climate change and the energy transition on the financial statements are also set out in boxed text below. Where an estimate has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year this is specifically noted within the boxed text.

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.

Judgements and estimates made in assessing the impact of the COVID-19 pandemic and the economic environment

In preparing the financial statements, the following areas involving judgement and estimates were identified as most relevant with regards to the impact of the COVID-19 pandemic and current economic environment.

Going concern

Forecast liquidity for the bp group has been assessed under a number of stressed scenarios and a reverse stress test was performed to support the going concern assertion. No material uncertainties over going concern or significant judgements or estimates in the assessment were identified.

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.

For further detail on the directors' going concern assessment, please refer to the directors' report.

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.

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

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.

Significant judgements: functional currency

Judgement is required in determining the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the company. Management has considered the primary indicators before considering the other indicators to determine the company's functional currency. The company's functional currency reflects the underlying transactions, events and conditions that are relevant to it. Accordingly, once determined, the functional currency is not changed unless there is a change in those underlying transactions, events and conditions. Following the assignment of the Euro denominated loan to the company, management have considered whether a change in functional currency has occurred. As the company is considered to be an extension of its parent company, its functional currency is the same as its parent company and has remained US dollars.

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 amounts owed from fellow subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

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

Impairment of financial assets measured at amortized cost

The company assesses on a forward-looking basis the expected credit losses associated with financial assets classified as 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.

Taxation

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.

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.

Interest income

Interest income is recognized as the interest accrues.

Updates to significant accounting policies

Impact of new International Financial Reporting Standards

bp adopted 'Interest Rate Benchmark Reform – Phase I – Amendments to IFRS 9 'Financial instruments' and IFRS 7 'Financial instruments: Disclosures' with effect from 1 January 2020. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the company's financial statements.

The adoption of 'Interest Rate Benchmark Reform – Phase I – Amendments to IFRS 9 'Financial instruments' and IFRS 7 'Financial instruments: Disclosures' has had no material impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS**3. Operating profit**

This is stated after crediting:

	2020	2019
	\$000	\$000
Net foreign exchange gains ^a	67,286	—

^a Amount is included in other operating income.

4. Auditor's remuneration

	2020	2019
	\$000	\$000
Fees for the audit of the company	12	12

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 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.

5. Interest receivable and similar income

	2020	2019
	\$000	\$000
Interest income from amounts owed by group undertakings	43	239
Interest income from loan to group undertakings	2,552	—
Total interest income	2,595	239

6. 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% for the year ended 31 December 2020 (2019 19%). The differences are reconciled below:

	2020	2019
	\$000	\$000
Profit before taxation	69,881	239
Tax charge / (credit)	—	—
Effective tax rate	— %	— %

	2020	2019
	%	%
UK statutory corporation tax rate:	19	19

Decrease resulting from:

Free group relief	(19)	(19)
Effective tax rate	—	—

NOTES TO THE FINANCIAL STATEMENTS**6. Taxation (continued)**Change in corporation tax rate

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%.

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

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

None of the directors received any fees or remuneration for qualifying services as a director of the company during the financial year (2019 \$Nil).

(b) Employee costs

The company had no employees during the year (2019 None).

8. Debtors

Amounts falling due within one year:

	2020	2019
	\$000	\$000
Amounts owed from fellow subsidiaries	13,957	11,281

Amounts falling due after one year:

	2020	2019
	\$000	\$000
Loans to group undertakings	6,144,016	—
Total debtors	6,157,973	11,281

The amounts owed from fellow subsidiaries comprise an Internal Financing Account (IFA) of \$11,405,000 (2019 \$11,281,000). Interest is accrued on a monthly basis based on USD daily overnight LIBOR. Subsequent to the re-denomination of the IFA currency from USD to EUR on 16 December 2020, the interest is now based on IBOR. The interest rate at year end was IBOR minus 8 basis points (2019 LIBOR minus 11 basis points). Whilst IFA balances are legally repayable on demand, in practice they have no termination date.

The loans to group undertakings is related to a loan of €5 billion to BP Holdings Central Europe B.V. The loan is unsecured and bears interest at EUR IBOR plus 130 basis points. The loan is expected to be repaid in full and in EUR on the termination date of 10 December 2040. The tenure of the loan is 20 years.

NOTES TO THE FINANCIAL STATEMENTS**9. Called up share capital**

	<u>2020</u>	<u>2019</u>
	\$000	\$000
Issued and fully paid:		
4,497,500,801 (2019 801) ordinary shares of £1 each for a total nominal value of £4,497,500,801 (2019 £801)	<u>6,076,812</u>	<u>1</u>

On 17 December 2020, 4,497,500,000 ordinary shares of £1 each for a total nominal value of \$6,076,810,890 were allotted to the parent company at par value.

10. 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.

Profit and loss account

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

11. 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.

12. 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.