

BP International Limited  
ANNUAL REPORT AND FINANCIAL STATEMENTS 2019



**BP INTERNATIONAL LIMITED**

(Registered No.00542515)

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2019**

Board of Directors: D J Bucknall  
 K A Thomson  
 J C Lyons  
 M J O'Sullivan  
 J A Hodgson  
 D G P Eyton

The directors present the strategic report, their report and the audited financial statements for the year ended 31 December 2019.

**STRATEGIC REPORT****Results**

The profit for the year after taxation was \$10,320 million which, when added to the retained profit brought forward at 1 January 2019, after making a transitional adjustment for IFRS 16 of \$13 million, and after deducting total paid interim dividends to ordinary shareholders of \$5,708 million, gives a total retained profit carried forward at 31 December 2019 of \$10,265 million. This excludes exchange adjustments and mark to market movements taken directly to reserves.

**Principal activities and review of the business**

The company, which is based in the UK, is engaged internationally in oil, petrochemicals and related financial activities. It also provides services to other BP group undertakings, including treasury activities, and holds investments in subsidiary and associated undertakings engaged in similar activities.

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

	2019	2018	Variance
	\$ million	\$ million	%
Turnover	67,737	66,960	1
Operating profit	11,122	341	3,162
Profit / (loss) for the year	10,320	(391)	2,739
Total equity	60,676	55,834	9
	2019	2018	Variance
	%	%	
Quick ratio*	69	66	3

\*Quick ratio is defined as current assets (excluding stocks, debtors falling due after one year, derivatives and other financial instruments falling due after one year and deferred tax assets) divided by current liabilities.

Turnover has increased principally due to increases in sales volumes and prices.

The movement in the operating result compared to the prior year is primarily due to higher dividend income received.

## STRATEGIC REPORT

Downstream activities include the results of certain international businesses with head offices in the UK. Downstream businesses showed an operating profit for the year of \$1,366 million (2018 \$720 million), reflecting an increase in gross profit in 2019.

Other businesses and corporate activities, including administrative expenses of \$118m, generated an operating profit of \$9,756 million (2018 \$379 million loss). This includes dividend income from subsidiary and associated undertakings of \$10,482 million (2018 \$2,175 million), a net impairment charge of \$Nil (2018 \$576 million), and a loss on disposal of investments of \$Nil (2018 \$662 million).

The quick ratio at year end was 69% (2018 66%), a slight improvement compared to the prior year. The company's nature of business is such that it holds large amounts of receivables from other group companies, many of which are due after one year. As a result, large parts of the assets are excluded from the quick ratio. The company provides funding and receives deposits from other entities within the BP group which represent the majority of the short term debtor and creditor balances. Whilst these balances are repayable on demand, they are not expected to be called as they are held with controlled related parties. Therefore, it is within the company's control to ensure that it would not be in a position where its other obligation would not be met as they fall due.

### Section 172 (1) statement

In governing the company on behalf of its shareholders and discharging their duties under section 172, the board has had regard to the factors set out in section 172 (see below) and other factors which the board considers appropriate.

### Section 172 factors

Section 172 requires directors to have regard to the following in performing their duties, and as part of the process are required to consider, where relevant:

- a. The likely long-term consequences of the decision.
- b. The interests of the company's employees.
- c. The need to foster the company's business relationships with suppliers, customers and others.
- d. The impact of the company's operations on the community and the environment.
- e. The desire to maintain the company's reputation for high standards of business conduct.
- f. The need to act fairly between members of the company.

To support the directors in the discharge of their duties, and whilst making a decision on behalf of the company, the directors have access to functional assurance support to identify matters which may have an impact on the proposed decision including, where relevant, section 172 factors as outlined above.

The principal decisions taken by the directors during the year included:

- Proposed that an interim dividend in the amount of \$5,708 million be paid to the shareholder.
- Approval of equity injections up to \$40 million as and when they are required by Britannic Energy Trading Limited (BETL) and an application of shares in the capital in BETL up to an aggregate nominal value of \$5 million. This decision was made following the recent approval in BETL for the expansion of scope of services to act as an authorised principal to execute non-oil market participant client service activity and is required to meet the FCA regulatory capital rules.
- Directors' approved the issuance of a guarantee to support the obligations of BP Oil International Limited (BPOI) resulting from the Offtake Agreement with a maximum aggregate liabilities of up to \$1.5 billion and the entry into a Deed of Guarantee with OJSC Rosneft Oil Company (Rosneft) in connection with the guarantee. This decision was made as BPOI had entered into certain commodities trades with Rosneft and agreed to enter into a residual oil products Offtake Agreement, under which BP would commit to purchase a minimum of 2,000kt per annum of residual oil products over a period of 42 months, with a start date of 1 November 2019. The Offtake Agreement would allow BP's IST function continued priority access to Rosneft's annual tendered fuel oil and vacuum gasoil grades, priced at market rates, at a fee.

## STRATEGIC REPORT

Furthermore, BPOI would continue to lift free on board Russian ports with Rosneft as exporter of record. As Rosneft does not sell to BP on open credit, a parent company guarantee was required to guarantee the performance by BPOI of its payment obligations to Rosneft under the Offtake Agreement. The amount of guarantee had been calculated to cover two months deliveries for a total maximum aggregate liability of up to \$1.5 billion.

- The directors have approved a guarantee of \$2.5 billion from BP International Limited (BPI) to JPMorgan (“JPM”) relating to daylight overdraft exposures, which is to be reviewed annually to ensure adequacy based on the company's overall cash profile. Furthermore, the directors approve to indemnify JPM for any claim against the bank as a result of the correct execution of BPs instructions. BPI will be protected by virtue of a \$500m cap. In addition, JPM would provide BPI with an indemnity for their negligence or wilful misconduct, capped at \$500m.

The relevant factors taken into account during the decision making process, in furtherance of the company's purpose, were as follows:

- Consideration was given to the company's business and the actual and contingent liabilities inherent in that business, and the ability of the company to be able to pay its debts as they fell due. The company understands the importance of delivering dividends to its shareholder and is therefore committed to maintaining an appropriate balance between total cash returns to its shareholder, investment in the business and maintaining a strong capital position.
- Consideration was given to the regulatory requirements of the subsidiary BETL, a stakeholder of the company as well as the importance of the subsidiary maintaining its regulatory requirements for the FCA - a key stakeholder of the subsidiary.
- Consideration was given to the supporting requirements of the subsidiary BPOI, a stakeholder of the company as well as the importance of maintaining BP's relationship with Rosneft.
- Consideration was given to the company's business and the adequacy of the overall cash profile, and to cap the indemnity exposure.

### **Principal risks and uncertainties**

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

The risks listed below, separately or in combination, could have a material adverse effect on the implementation of the company's strategy, business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation. Unless stated otherwise, further details on these risks are included within the risk factors in the strategic report of the BP group Annual Report and Form 20-F for the year ended 31 December 2019.

### **Strategic and commercial risks**

#### ***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.

#### ***Major project delivery***

Failure to invest in the best opportunities or deliver major projects successfully could adversely affect the company's financial performance.

#### ***Geopolitical***

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## STRATEGIC REPORT

The company is exposed to a range of political developments and consequent changes to the operating and regulatory environment may disrupt or curtail the company's operations or development activities. These may in turn cause production to decline, limit the company's ability to pursue new opportunities, affect the recoverability of our assets or cause us to incur additional costs. Political developments may include international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism or war and public health situations (including an outbreak of an epidemic or pandemic).

### ***The impact of the UK's exit from the EU***

BP have been assessing the potential impact on the group of Brexit and the UK's future global relationships. BP have been considering different outcomes but do not believe any of these outcomes pose a significant risk to the business. The BP board's geopolitical committee continues to monitor these developments.

### ***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. For further details see Financial instruments and financial risk factors - Note 19.

### ***Joint arrangements and contractors***

The company may have varying levels of control over the standards, operations and compliance of its partners, contractors and sub-contractors which could result in legal liability and reputational damage.

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

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

### ***Climate change and the transition to a lower carbon economy***

Policy, legal, regulatory, technology and market developments related to the issue of climate change could increase costs, reduce demand for our products, reduce revenue and limit certain growth opportunities.

### ***Competition***

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

### ***Crisis management and business continuity***

Potential disruption to the company's business and operations could occur if it does not address an incident effectively.

### ***Insurance***

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

## **Safety and operational risks**

### ***Process safety, personal safety and environmental risks***

The company is exposed to a wide range of health, safety, security and environmental risks that could cause harm to people, the environment, the company's assets and result in regulatory action, legal liability, business interruption, increased costs, damage to its reputation and potentially denial of its licence to operate.

### ***Security***

Hostile acts against the company's staff and activities could cause harm to people and disrupt its operations.

### ***Product quality***

Supplying customers with off-specification products could damage the company's reputation, lead to regulatory action and legal liability, and potentially impact its financial performance.

## **Compliance and control risks**

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

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

## STRATEGIC REPORT

### ***Regulation***

Changes in the regulatory and legislative environment could increase the cost of compliance, affect the company's provisions and limit its access to new growth opportunities.

### ***Treasury and 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.

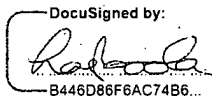
### ***Reporting***

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 commodity prices, foreign currency exchange rates and interest rates, credit risk and liquidity 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 2019.

Authorized for issue by Order of the Board

DocuSigned by:  
 29 September 2020  
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For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

**DIRECTORS' REPORT****BP INTERNATIONAL LIMITED****Directors**

The present directors are listed on page 1.

D J Bucknall, K A Thomson, J C Lyons, M J O'Sullivan and J A Hodgson served as directors throughout the financial year. Changes since 1 January 2019 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
B Gilvary	—	30 June 2020
D G P Eyton	1 July 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**

During the year the company has declared and paid ordinary dividends of \$5,708 million (2018 \$535 million). The directors do not propose the payment of a final dividend.

**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 1.6) 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**

Since 31 December 2019, oil and gas prices have fallen sharply 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. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Further details are provided under Going Concern below. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 16 January 2020, the company and BP Corporation North America Inc. acting as borrowers, approved entry into a USD \$10 billion facility agreement with BNP acting in its capacity as underwriter and agent bank and BP p.l.c. acting as the guarantor, to address the uncertain environment at scale and, to provide BP with flexibility over two years broadly matching BPs current debt maturities for the next two years.

On 11 February 2020, the company issued a guarantee contract for \$1,500 million in respect of obligations of BP Gas Marketing Ltd under a LNG Sales and Purchase Agreement with the Tortue Partners (the consortium developing the Tortue LNG project in Mauritania and Senegal, of which BP upstream holds a 61% share).

On 30 March 2020, the company approved equity injections up to the amount of \$500 million into Britannic Trading Limited, to subscribe for a number of additional ordinary shares of £1.00 each at par value in the capital of the company up to an aggregate price of \$500 million.

On 15 June 2020 BP issued a press release detailing revised investment appraisal long-term oil and gas price assumptions used in tangible assets impairment testing. The revised long-term price assumptions used to determine recoverable amount based on value-in-use impairment tests are an average of \$55/bbl for Brent and

## DIRECTORS' REPORT

\$2.90 per MMBtu for Henry Hub for the period of 2021-2050 (in 2020 prices). Impairment tests have been performed for the purposes of the BP Plc group financial statements as at 30 June 2020. As a result of the revised long-term price assumptions and a review of the long-term strategic plan, management also reviewed BP's exploration prospects and the carrying value of the associated intangible assets. The outcome of the review has resulted in revised judgements over the expectations to extract value from certain prospects. Impairment charges related to tangible, exploration and appraisal assets will be recognised in subsidiary undertakings of the company. As these revisions and impairments relate to events and circumstances arising since 31 December, this is non-adjusting event for the financial statements for the period ending 31 December 2019. A review of the impact of those impairments on the carrying value of the investments held by BP International Limited, and the recognition of any resulting impairment charges, will be included in the financial statements for the year ended 31 December 2020.

On 29 June 2020 BP announced that it has agreed to sell its global petrochemicals business to INEOS for a total consideration of \$5 billion, subject to customary adjustments. The sale agreement includes the whole of BP's aromatic and acetyls businesses, including assets, technology and licences, as well as related assets. Subject to regulatory and other approvals, the transaction is expected to complete by the end of 2020. Certain of the investments held by the company, their assets and intellectual property will be included within the sale. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 1 July 2020, the company approved an equity injection into its immediate subsidiary, BP Technology Ventures Limited by applying for \$110 million worth of ordinary shares of £1.00 each at par value.

The BP group set out a new strategy on 4 August 2020. Through this change, BP will continue its commitment to performing as it transforms - maintaining its focus on safety, operational excellence and financial discipline. Given the extent of changes in roles, responsibilities and reporting lines as the business is reconfigured to execute on the 'reinvent bp' strategy, management of change programmes are being put in place to ensure that risks associated with these changes are mitigated.

### **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 on pages 3-5, 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 31 December 2019, the oil price has fallen sharply 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.

The company has strong net assets and net current assets positions of \$61 billion (2018 \$56 billion) and \$10 billion (2018 \$14 billion) respectively. In addition, the company has strong financial capability and access to liquidity (more than \$30 billion) including the following:

- 2Q 2020 cash at bank circa \$29 billion callable in 16 days on average. This is held in a range of securities including unsecured term deposits, tri-partite repo, US government money market funds and bank deposits.
- Of the company's total cash, circa \$2 billion is considered restricted, primarily IST cash on exchanges.
- Access to bank standby lines \$8 billion across its spread of international relationship banks which is in place until 2022.
- Access to an unused bank Revolving Credit Facility of \$10 billion, available until 2022.

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



## **DIRECTORS' REPORT**

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.

Since the onset of the COVID-19 pandemic, BP has continued to access global capital markets raising funds of approximately \$20 billion, including \$12 billion in June 2020. Whilst the instruments were issued by other group companies, the cash proceeds are available to the company via the group pooled liquidity arrangements.

In assessing the prospects of BP International 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 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.

### **Stakeholder statements**

#### **Employee engagement**

Employees are informed of information on matters of concern to them as employees through BP's employee intranet and local sites, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, the low carbon transition and diversity. The BP group has a number of employee-led forums and business resource groups and builds constructive relationships with labour unions formally representing employees. Employees are consulted on a regular basis through regular team and one-to-one meetings and through an annual survey.

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

As an example of how engagement has directly contributed to shaping policy, in 2019 the group launched a new global commitment to minimum parental leave for new parents. This policy was established through engagement with BP employee-led business resource groups and employee forums, including the working parents' forum.

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

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

## **DIRECTORS' REPORT**

The company aims to build enduring relationships with governments, customers, partners, suppliers and communities in the countries where it operates. The company works with its business partners in an honest, respectful and responsible way and seeks to work with others who share the company's commitments to safety and ethics and compliance.

The company's activities affect a wide variety of individuals and organizations. The company engages with these stakeholders and listens to their differing needs and priorities as an everyday part of its business and uses the input and feedback to inform its decision making process.

On behalf of the company, the BP group participates in industry associations that offer opportunities to share good practices and collaborate on issues of importance. Additionally, the BP group works with governments on a range of issues that are relevant to its business, from regulatory compliance, to understanding tax liabilities, to collaborating on community initiatives.

The BP group seeks to engage with customers through social media, focus groups and in-depth interviews with customers to better understand customer's needs and seek their feedback.

Feedback from such engagement has been considered by the directors during the decision making process where relevant.

Consideration was given to the company's business, the actual and contingent liabilities inherent in that business and the ability of the company to be able to pay its debts as they fell due, as well as the adequacy of the overall cash profile. The company understands the importance of delivering dividends to its shareholder and is therefore committed to maintaining an appropriate balance between total cash returns to its shareholder, investment in the business, and maintaining a strong capital position. Consideration was also given to the regulatory requirements of the company's subsidiaries and the relationships with significant related parties.

### **Corporate Governance Statement**

The company's ultimate parent BP p.l.c. has applied the UK Corporate Governance Code throughout the year. The board of BP p.l.c. operates within a system of governance that is set out in the BP board governance principles. These principles define the role of the board, its processes and its relationship with executive management. This system is reflected in the governance of the group's subsidiaries through the adoption of:

- (i) a comprehensive policy regarding the Corporate Governance of Subsidiaries (the "Policy");
- (ii) the System of Internal Control being the holistic set of management systems, organisational structures, processes, standards and behaviours that are employed to conduct the group's business; and
- (iii) the BP Code of Conduct based on BP's values, which sets clear expectations for how we work. It applies to all BP employees, including members of the board.

### ***System of Internal Control***

The System of Internal Control processes, which include functional assurance and internal group authority facilitate effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the company's objectives. This includes the safeguarding of assets from inappropriate use or loss and fraud and ensuring liabilities are identified and managed.

Further, they help to ensure the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the organisation.

The System of Internal Control helps to ensure compliance with laws and regulations and also with internal policies with respect to the conduct of business.

## **DIRECTORS' REPORT**

### ***The Policy***

The Policy is a comprehensive set of rules and recommendations, reflective of best practice governance and the content of formal corporate governance codes for private companies, and is designed to improve subsidiary governance:

- (i) by mitigating legal and reputational risk and preserving the integrity of the Group's corporate structure
- (ii) to select, train and assist competent and confident directors and officers who execute their duties in a manner that mitigates the risk of breaching legal requirements and fiduciary duties
- (iii) to specify which of the group's businesses and functions are accountable for the various aspects of establishment, administration and corporate governance of subsidiaries
- (iv) to provide a structure through which company objectives can be achieved and monitored, and
- (v) to support the System of Internal Control and the BP Code of Conduct

The company has therefore not considered it necessary to adopt a formal corporate governance code.

The Policy requires any decisions in respect of the formation and change of entity form, financing of intra-group activities, transfer of ownership and dissolution to be made pursuant to BP's System of Internal Control processes. Monitoring in respect of compliance with the Policy is completed on a regular basis, and any exceptions to the Policy are considered and agreed by the board of directors of the company.

The Policy sets out the responsibilities of all directors and officers of each of the group's subsidiaries and the primary tasks of the boards, including consideration and execution of long-term strategy, monitoring of the subsidiary's performance and ensuring that the principal risks to the subsidiary are identified and that appropriate systems of risk management and control are in place.

The Policy requires directors to:

- (i) attend induction training upon appointment and are recommended to refresh their training annually
- (ii) not engage in any activity that is, or could reasonably be perceived to be, in conflict with the interests of the company and are further required to act in the best interests of the company, which may not necessarily coincide with the best interest of the group
- (iii) consult in advance of conflicts of duties in order to identify and implement steps to avoid or mitigate such conflicts
- (iv) retain responsibility for the approval of financial statements

Decision making rests with the Directors of the Company and delegation of specific powers or decisions is documented in writing, setting out the reasons for and scope and limitation of such delegation, supported by a form of group authority. Delegations are monitored and reviewed by the board on a regular basis.

### ***Application of the system of governance***

The Directors have applied this system of governance by:

- (a) Promoting the purpose of the company to advance energy to improve people's lives through the supply of oil, petrochemicals and related financial activities.
- (b) Regularly reviewing the board's composition to ensure that it has an appropriately diverse balance of skills, backgrounds, experience and knowledge and that individual directors have sufficient capacity to make a valuable contribution. The board retains a minimum of three directors, and where appropriate, promotes independent and objective challenge through the appointment of a minimum of one director who is not directly or indirectly responsible for the management function of the company. In certain cases, the board nominates a designated Chair to provide leadership of the board.

## **DIRECTORS' REPORT**

- (c) Undertaking training on a regular basis to ensure that they have a clear understanding of their responsibilities and accountabilities. To support effective decision-making directors take into account the System of Internal Control, the BP Code of Conduct and the company's purpose and how it furthers the group's purpose, aims and ambitions, when acting in their capacity as a director of the company.
- (d) In accordance with the Policy, the board is supported by Systems of Internal Control to identify opportunities to create and preserve value and to manage its principal risks and uncertainties as set out in the strategic report.
- (e) Having regard to and fostering good stakeholder relationships as set out within the statement of engagement with key stakeholders in the directors report.

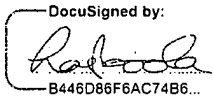
### **Directors' statement as to the disclosure of information to the auditor**

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 s418 of the Companies Act 2006.

Authorized for issue by Order of the Board

DocuSigned by:  
  
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29 September 2020

For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

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

**BP INTERNATIONAL 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 INTERNATIONAL LIMITED****Report on the audit of the financial statements****Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 30.

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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 authorized for issue.

We have nothing to report in respect of these matters.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

**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.

**INDEPENDENT AUDITOR'S REPORT**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our 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:

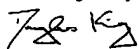
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law 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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29 September 2020

Douglas King FCA (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 2019****BP INTERNATIONAL LIMITED**

		2019	2018
	Note	\$ million	\$ million
<b>Turnover</b>	<b>3</b>	67,737	66,960
Cost of sales		(66,299)	(66,521)
<b>Gross profit</b>		<u>1,438</u>	<u>439</u>
Dividend income		10,485	2,178
Administrative expenses		(825)	(1,768)
Other operating income		27	68
Impairment of tangible assets	<b>11</b>	(3)	—
Impairment of fixed asset investments	<b>12</b>	—	(576)
<b>Operating profit</b>	<b>4</b>	<u>11,122</u>	<u>341</u>
Interest receivable and similar income	<b>6</b>	2,651	2,705
Interest payable and similar expenses	<b>7</b>	(3,449)	(3,262)
<b>Profit / (loss) before taxation</b>		<u>10,324</u>	<u>(216)</u>
Tax on profit / (loss)	<b>8</b>	(4)	(175)
<b>Profit / (loss) for the year</b>		<u><u>10,320</u></u>	<u><u>(391)</u></u>

The profit of \$10,320 million for the year ended 31 December 2019 was derived in its entirety from continuing operations.



**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2019****BP INTERNATIONAL LIMITED**

	<u>2019</u>	<u>2018</u>
	\$ million	\$ million
<b>Profit / (loss) for the year</b>	<u>10,320</u>	<u>(391)</u>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Currency translation differences	190	(41)
Costs of hedging mark to market	(4)	(244)
Costs of hedging reclassified to the profit and loss	<u>57</u>	<u>58</u>
	<u>243</u>	<u>(227)</u>
<b>Other comprehensive income for the year net of tax</b>	<u>243</u>	<u>(227)</u>
<b>Total comprehensive income for the year</b>	<u><u>10,563</u></u>	<u><u>(618)</u></u>

**BALANCE SHEET****AT 31 DECEMBER 2019****BP INTERNATIONAL LIMITED****(Registered No.00542515)**

	Note	2019 \$ million	2018 \$ million
<b>Fixed assets</b>			
Intangible assets	10	170	121
Tangible assets	11	1,007	566
Investments	12	98,589	98,545
		<u>99,766</u>	<u>99,232</u>
<b>Current assets</b>			
Stocks	13	2,579	1,782
Debtors – amounts falling due:			
within one year	14	42,623	36,365
after one year	14	35,444	40,520
Derivatives and other financial instruments:			
within one year	20	1,124	845
after one year	20	595	472
Cash at bank and in hand		<u>17,318</u>	<u>17,221</u>
		<u>99,683</u>	<u>97,205</u>
<b>Creditors: amounts falling due within one year</b>	16	(88,665)	(82,715)
Derivatives and other financial instruments due within one year	20	(1,393)	(814)
Lease liabilities	17	(44)	—
<b>Net current assets</b>		<u>9,581</u>	<u>13,676</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>109,347</u>	<u>112,908</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(47,064)	(54,955)
Derivatives and other financial instruments due after more than one year	20	(1,125)	(1,997)
Lease liabilities	17	(414)	—
<b>Provisions for liabilities and charges</b>			
Other provisions	22	(68)	(122)
<b>NET ASSETS</b>		<u><u>60,676</u></u>	<u><u>55,834</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	50,641	50,641
Costs of hedging reserve	24	(169)	(456)
Foreign currency translation reserve	24	(61)	(251)
Profit and loss account	24	10,265	5,900
<b>TOTAL EQUITY</b>		<u><u>60,676</u></u>	<u><u>55,834</u></u>

**BALANCE SHEET**

Authorized for issue on behalf of the Board

DocuSigned by:

*Jayne Hodgson*

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J A Hodgson

Director

29 September 2020

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**BP INTERNATIONAL LIMITED**

	Called up share capital (Note 23)	Costs of hedging reserve (Note 24)	Foreign currency translation reserve (Note 24)	Profit and loss account (Note 24)	Total
	\$ million	\$ million	\$ million	\$ million	\$ million
<b>Balance at 1 January 2018</b>	50,641	(270)	(210)	6,826	56,987
Loss for the year	—	—	—	(391)	(391)
Other comprehensive income for the year	—	(186)	(41)	—	(227)
<b>Total comprehensive income for the year</b>	—	(186)	(41)	(391)	(618)
Dividends paid	—	—	—	(535)	(535)
<b>Balance at 31 December 2018</b>	50,641	(456)	(251)	5,900	55,834
Adjustment on adoption of IFRS 16, net of tax <sup>a</sup>	—	—	—	(13)	(13)
<b>Balance at 1 January 2019</b>	50,641	(456)	(251)	5,887	55,821
Profit for the year	—	—	—	10,320	10,320
Other comprehensive income for the year	—	53	190	—	243
<b>Total comprehensive income for the year</b>	—	53	190	10,320	10,563
Dividends paid	—	—	—	(5,708)	(5,708)
Other adjustments <sup>b</sup>	—	234	—	(234)	—
<b>Balance at 31 December 2019</b>	50,641	(169)	(61)	10,265	60,676

<sup>a</sup>See Note 2 for further information.

<sup>b</sup>Other adjustments relating to reclassification of the accumulated foreign exchange losses from costs of hedging reserve to profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2019****BP INTERNATIONAL 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 International Limited for the year ended 31 December 2019 were approved by the board of directors on 29 September 2020 and the balance sheet was signed on the board's behalf by J A Hodgson. BP International Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 00542515). The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom. 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 and modified to include the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The company is classified as Financial Institution.

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

These financial statements are separate financial statements. The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare consolidated financial statements, because it is included in the group financial statements of BP p.l.c. Details of the parent in whose consolidated financial statements the company is included are shown in Note 29 to the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- (a) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- (b) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, and 111 of IAS 1 Presentation of Financial Statements
- ✓ (c) 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
  - (iii) paragraph 118(e) of IAS 38 Intangible Assets.
- (d) the requirements of IAS 7 Statement of Cash Flows
- (e) 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
- (f) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- (g) 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
- (h) 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

## NOTES TO THE FINANCIAL STATEMENTS

- (i) the requirement of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- (j) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- (k) The requirements of paragraph 58 of IFRS 16 Leases, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

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 29.

The financial statements are presented in US dollars and all values are rounded to the nearest million dollars (\$ million), 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.

### 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.

As the company is considered to be an intermediate holding company, and therefore an extension of its parent company, its functional currency is the same as its parent company.

Assets and liabilities of foreign currency branches are translated into US dollars at rates of exchange ruling at the balance sheet date. The profit and loss account is translated into US dollars using average rates of exchange. Exchange differences arising when the opening net assets and the profits for the year retained by foreign currency branches are translated into US dollars are taken directly to reserves and reported in other comprehensive income. When a foreign currency branch is disposed of the cumulative amount of foreign currency differences included in other comprehensive income is reclassified to the profit and loss account.

#### Investments

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

## NOTES TO THE FINANCIAL STATEMENTS

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

All other fixed asset investments are stated in the financial statements at cost less provisions for impairment.

### *Interests in associates*

An associate is an entity over which the company has significant influence, through the power to participate in the financial and operating policy decisions of the investee, but which is not a subsidiary or a joint arrangement.

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

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

Management judgement is required to determine whether an indicator of potential impairment exists in relation to the company's investments. No such indicators have been identified during the current year and therefore no impairment test has needed to be performed. Accordingly, the recoverable amount of the investment has not needed to be estimated, nor any assumptions made, and no sensitivity analysis has been required. Details of the carrying value of the investments are provided in Note 12.

### **Intangible assets**

Intangible assets, other than goodwill, are stated at the amount initially recognized, less accumulated amortization and accumulated impairment losses.

Intangible assets are carried initially at cost unless acquired as part of a business combination. Any such asset is measured at fair value at the date of the business combination and is recognized separately from goodwill if the asset is separable or arises from contractual or other legal rights.

Intangible assets with a finite life are amortized on a straight-line basis over their expected useful lives. For patents, licences and trademarks, expected useful life is the shorter of the duration of the legal agreement and economic useful life, and can range from three to fifteen years. Computer software costs generally have a useful life of three to five years.

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

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

### **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.

Exchanges of assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. The gain or loss on derecognition of the asset given up is recognized in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

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:

Downstream	4 to 10 years
Corporate & other	4 to 12 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.

The carrying amounts of tangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

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, changes in commodity prices, low plant utilisation or evidence of physical damage. 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. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group that are not reflected in the discount rate and are discounted to their present value typically using a pre-tax discount rate that reflects current market assessments of the time value of money. Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

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 recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset 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 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 revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.



**NOTES TO THE FINANCIAL STATEMENTS****Stocks**

Stocks, other than stocks held for trading purposes, are stated at the lower of cost and net realizable value. Cost is determined by the first-in first-out method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Net realizable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Net realizable value is determined by reference to prices existing at the balance sheet date, adjusted where the sale of inventories after the reporting period gives evidence about their net realizable value at the end of the period.

Stocks held for short-term trading purposes are stated at fair value less costs to sell and any changes in fair value are recognized in the profit and loss account.

Supplies are valued at the lower of cost on a weighted average basis and net realizable value.

**Leases**

Agreements that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases. The right to control is conveyed if BP has both the right to obtain substantially all of the economic benefits from, and the right to direct the use of, the identified asset throughout the period of use. An asset is identified if it is explicitly or implicitly specified by the agreement and any substitution rights held by the lessor over the asset are not considered substantive.

Agreements that convey the right to control the use of an intangible asset including rights to explore for or use hydrocarbons are not accounted for as leases. See significant accounting policy: intangible assets.

A lease liability is recognized on the balance sheet on the lease commencement date at the present value of future lease payments over the lease term. The discount rate applied is the rate implicit in the lease if readily determinable, otherwise an incremental borrowing rate is used. The incremental borrowing rate is determined based on factors such as the group's cost of borrowing, lessee legal entity credit risk, currency and lease term. The lease term is the non-cancellable period of a lease together with any periods covered by an extension option that BP is reasonably certain to exercise, or periods covered by a termination option that BP is reasonably certain not to exercise. The future lease payments included in the present value calculation are any fixed payments, payments that vary depending on an index or rate, payments due for the reasonably certain exercise of options and expected residual value guarantee payments.

Payments that vary based on factors other than an index or a rate such as usage, sales volumes or revenues are not included in the present value calculation and are recognized in the income statement. The lease liability is recognized on an amortized cost basis with interest expense recognized in the income statement over the lease term.

The right-of-use asset is recognized on the balance sheet as property, plant and equipment at a value equivalent to the initial measurement of the lease liability adjusted for lease prepayments, lease incentives, initial direct costs and any restoration obligations. The right-of-use asset is depreciated typically on a straight-line basis, over the lease term. The depreciation charge is recognized in the income statement. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of property, plant and equipment, intangible assets, and goodwill.

Agreements may include both lease and non-lease components. Payments for lease and non-lease components are allocated on a relative stand-alone selling price basis except for leases of retail service stations where the group has elected not to separate non-lease payments from the calculation of the lease liability and right-of-use asset.

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

If a significant event or change in circumstances, within the control of BP, arises that affects the reasonably certain lease term or there are changes to the lease payments, the present value of the lease liability is remeasured using the revised term and payments, with the right-of-use asset adjusted by an equivalent amount.

Modifications to a lease agreement beyond the original terms and conditions are accounted for as a re-measurement of the lease liability with a corresponding adjustment to the right-of-use asset. Any gain or loss on modification is recognized in the income statement. Modifications that increase the scope of the lease at a price commensurate with the stand-alone selling price are accounted for as a separate new lease.

The company recognizes the full lease liability, rather than its working interest share, for leases entered into on behalf of a joint operation if the company has the primary responsibility for making the lease payments. In such cases, the company's working interest share of the right-of-use asset is recognized if it is jointly controlled by the company and the other joint operators, and a receivable is recognized for the share of the asset transferred to the other joint operators. If the company is a non-operator, a payable to the operator is recognized if they have the primary responsibility for making the lease payments and the company has joint control over the right-of-use asset, otherwise no balances are recognized.

As noted in 'Impact of new International Financial Reporting Standards - IFRS 16 'Leases'', the company elected to apply the 'modified retrospective' transition approach on adoption of IFRS 16. Under this approach, comparative periods' financial information is not restated. The accounting policy applicable for leases in the comparative periods only is disclosed in the following paragraphs.

Agreements under which payments are made to owners in return for the right to use a specific asset are accounted for as leases. Leases that transfer substantially all the risks and rewards of ownership are recognized as finance leases. All other leases are accounted for as operating leases.

Finance leases are capitalized at the commencement of the lease term at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Finance charges are allocated to each period so as to achieve a constant rate of interest on the remaining balance of the liability and are charged directly against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

### **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 using the effective interest method if the time value of money is significant. Gains and losses are recognized in the profit and loss account when the loans and receivables are derecognized or impaired and when interest is recognized using the effective interest method. This category of financial assets includes trade and other receivables.

#### ***Financial assets measured at fair value through profit or loss***

Financial assets are classified as measured at fair value through profit or loss when the asset does not meet the criteria to be measured at amortized cost. Such assets are carried on the balance sheet at fair value with gains or

## NOTES TO THE FINANCIAL STATEMENTS

losses recognized in the profit and loss account. Derivatives, other than those designated as effective hedging instruments, are included in this category.

### ***Investments in equity instruments***

Investments in equity instruments are subsequently measured at fair value through profit or loss unless an election is made on an instrument-by-instrument basis to recognize fair value gains and losses in other comprehensive income. The company does not have any investments for which this election has been made.

### ***Derivatives designated as hedging instruments in an effective hedge***

Derivatives designated as hedging instruments in an effective hedge are carried on the balance sheet at fair value. The treatment of gains and losses arising from revaluation is described below in the accounting policy for derivative financial instruments and hedging activities.

### ***Cash equivalents***

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and generally have a maturity of three months or less from the date of acquisition. Cash equivalents are classified as financial assets measured at amortized cost or, in the case of certain money market funds, fair value through profit or loss.

### **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 of 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 fair value through profit or loss***

Financial liabilities, including financial guarantees, that meet the definition of held for trading are classified as measured at fair value through profit or loss. Such liabilities are carried on the balance sheet at fair value with gains or losses recognized in the profit and loss account. Derivatives, other than those designated as effective hedging instruments, are included in this category.

#### ***Derivatives designated as hedging instruments in an effective hedge***

Derivatives designated as hedging instruments in an effective hedge are carried on the balance sheet at fair value. The treatment of gains and losses arising from revaluation is described below in the accounting policy for derivative financial instruments and hedging activities.

#### ***Financial liabilities measured at amortized cost***

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

## NOTES TO THE FINANCIAL STATEMENTS

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized in interest receivable and similar income and interest payable and similar expenses respectively. This category of financial liabilities includes trade and other payables and finance debt.

### **Derivative financial instruments and hedging activities**

The company uses derivative financial instruments to manage certain exposures to fluctuations in foreign currency exchange rates, interest rates and commodity prices as well as for trading purposes. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Contracts to buy or sell a non-financial item (for example oil, oil products, gas and power) that can be settled net in cash or another financial instrument, or by exchanging financial instruments as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the company's expected purchase, sale or usage requirements, are accounted for as financial instruments. Contracts to buy or sell equity investments, including investments in associates, are also financial instruments. Gains or losses arising from changes in the fair value of derivatives that are not designated as effective hedging instruments are recognized in the profit and loss account.

If, at inception of a contract, the valuation cannot be supported by observable market data, any gain or loss determined by the valuation methodology is not recognized in the profit and loss account but is deferred on the balance sheet and is commonly known as 'day-one profit or loss'. This deferred gain or loss is recognized in the profit and loss account over the life of the contract until substantially all the remaining contract term can be valued using observable market data at which point any remaining deferred gain or loss is recognized in the profit and loss account. Changes in valuation from the initial valuation at inception of a contract are recognized immediately through the profit and loss account.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging exposure to changes in the fair value of a recognized asset or liability.
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

Hedge relationships are formally designated and documented at inception, together with the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, the existence at inception of an economic relationship and subsequent measurement of the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk, the hedge ratio and sources of hedge ineffectiveness. Hedges meeting the criteria for hedge accounting are accounted for as follows:

#### ***Fair value hedges***

The change in fair value of a hedging derivative is recognized in profit or loss. The change in the fair value of the hedged item attributable to the risk being hedged is recorded as part of the carrying value of the hedged item and is also recognized in profit or loss, where it offsets. The company applies fair value hedge accounting when hedging interest rate risk and certain currency risks on fixed rate finance debt.

Fair value hedge accounting is discontinued only when the hedging relationship or a part thereof ceases to meet the qualifying criteria. This includes when the risk management objective changes or when the hedging instrument is sold, terminated or exercised. The accumulated adjustment to the carrying amount of a hedged item at such time is then amortized prospectively to profit or loss as finance interest expense over the hedged item's remaining period to maturity.

#### ***Costs of hedging***

## NOTES TO THE FINANCIAL STATEMENTS

The foreign currency basis spread of cross-currency interest rate swaps are excluded from hedge designations and accounted for as costs of hedging. Changes in fair value of the foreign currency basis spread are recognized in other comprehensive income to the extent that they relate to the hedged item. For time-period related hedged items, the amount recognized in other comprehensive income is amortized to profit or loss on a straight line basis over the term of the hedging relationship.

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or BP's assumptions about pricing by market participants.

### *Significant estimate and judgement: derivative financial instruments*

In some cases the fair values of derivatives are estimated using internal models due to the absence of quoted prices or other observable, market-corroborated data. This primarily applies to the company's longer-term derivative contracts. The majority of these contracts are valued using models with inputs that include price curves for each of the different products that are built up from available active market pricing data (including volatility and correlation) and modelled using the maximum available external information. Additionally, where limited data exists for certain products, prices are determined using historical and long-term pricing relationships. The use of alternative assumptions or valuation methodologies may result in significantly different values for these derivatives. A reasonably possible change in the price assumptions used in the models relating to index price would not have a material impact on net assets and the profit and loss account primarily as a result of offsetting movements between derivative assets and liabilities. For more information, including the carrying amounts of level 3 derivatives, see Note 20.

In some cases, judgement is required to determine whether contracts to buy or sell commodities meet the definition of a derivative. In particular, longer-term contracts to buy and sell Liquefied Natural Gas ("LNG") are not considered to meet the definition as they are not considered capable of being net settled due to a lack of liquidity in the LNG market and so are accounted for on an accruals basis, rather than as a derivative.

### 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 2.5% (2018 3.0%).

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

## NOTES TO THE FINANCIAL STATEMENTS

are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

### Taxation

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

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

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

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

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

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

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

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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.

Judgement is required when determining whether a particular tax is an income tax or another type of tax (for example a production tax). Accounting for deferred tax is applied to income taxes as described above, but is not applied to other types of taxes; rather such taxes are recognized in the profit and loss account in accordance with the applicable accounting policy such as Provisions and contingent liabilities.

### **Turnover**

Revenue from contracts with customers is recognized when or as the company satisfies a performance obligation by transferring control of a promised good or service to a customer. The transfer of control of oil, petroleum and chemical products, and other items usually coincides with title passing to the customer and the customer taking physical possession. The company principally satisfies its performance obligations at a point in time; the amounts of revenue recognized relating to performance obligations satisfied over time are not significant.

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.

Contracts for the sale of commodities are typically priced by reference to quoted prices. Revenue from term commodity contracts is recognized based on the contractual pricing provisions for each delivery. Certain of these contracts have pricing terms based on prices at a point in time after delivery has been made. Revenue from such contracts is initially recognized based on relevant prices at the time of delivery and subsequently adjusted as appropriate. All revenue from these contracts, both that recognized at the time of delivery and that from post-delivery price adjustments, is disclosed as revenue from contracts with customers.

Physical exchanges with counterparties in the same line of business and to facilitate sales to customers are reported net, as are sales and purchases made with a common counterparty, as part of an arrangement similar to a physical exchange.

Where the company acts as agent on behalf of a third party to procure or market energy commodities, any associated fee income is recognized but no purchase or sale is recorded.

Where forward sale and purchase contracts for oil, natural gas or power have been determined to be for short-term trading purposes, the associated sales and purchases are reported net within sales and other operating revenues whether or not physical delivery has occurred.

Revenue associated with the sale of oil, petroleum and chemical products, oil forward sales / purchase contracts and sales / purchases of trading stock is included on a net basis in turnover.

### **Interest income**

Interest income is recognized as the interest accrues using the effective interest rate – that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

### **Dividend income**

Dividend income from investments is recognized when the shareholders' right to receive the payment is established.

### **Research costs**

## NOTES TO THE FINANCIAL STATEMENTS

Research costs are expensed as incurred.

### Finance costs

All finance costs are recognized in the profit and loss account in the period in which they are incurred.

### Dividends payable

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

### Impact of new International Financial Reporting Standards

The company adopted IFRS 16 'Leases', which replaced IAS 17 'Leases' and IFRIC 4 'Determining whether an arrangement contains a lease', with effect from 1 January 2019. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the financial statements.

#### *IFRS 16 'Leases'*

IFRS 16 'Leases' provides a new model for lessee accounting in which the majority of leases will be accounted for by the recognition on the balance sheet of a right-of-use asset and a lease liability. The subsequent amortization of the right-of-use asset and the interest expense related to the lease liability is recognized in profit or loss over the lease term.

The company elected to apply the modified retrospective transition approach in which the cumulative effect of initial application is recognized in opening retained earnings at the date of initial application with no restatement of comparative periods' financial information. Comparative information in the balance sheet has, however, been re-presented to align with current year presentation, showing lease liabilities and lease liability payments as separate line items. These were previously included within finance debt and repayments of long-term financing line items respectively. Amounts presented in these line items for the comparative periods relate to leases accounted for as finance leases under IAS 17. We do not consider any of the judgements or estimates made on transition to IFRS 16 to be significant.

IFRS 16 introduces a revised definition of a lease. As permitted by the standard, the company elected not to reassess the existing population of leases under the new definition and only applies the new definition for the assessment of contracts entered into after the transition date. On transition the standard permitted, on a lease-by-lease basis, the right-of-use asset to be measured either at an amount equal to the lease liability (as adjusted for prepaid or accrued lease payments), or on a historical basis as if the standard had always applied. BP has elected to use the historical asset measurement for its more material leases and used the asset equals liability approach for the remainder of the population. In measuring the right-of-use asset the company applied the transition practical expedient to exclude initial direct costs. The company also elected to adjust the carrying amounts of the right-of-use assets as at 1 January 2019 for onerous lease provisions that had been recognized on the company balance sheet as at 31 December 2018, rather than performing impairment tests on transition.

The effect on the company's balance sheet is set out further below. The presentation and timing of recognition of charges in the profit and loss account has changed following the adoption of IFRS 16. The operating lease expense previously reported under IAS 17, typically on a straight-line basis, has been replaced by depreciation of the right-of-use asset and interest on the lease liability.

The following table provides a reconciliation of the operating lease commitments disclosed as at 31 December 2018 to the total lease liability recognized on the balance sheet in accordance with IFRS 16 as at 1 January 2019, with explanations below.



## NOTES TO THE FINANCIAL STATEMENTS

	\$ million
Operating lease commitments at 31 December 2018	517
Effect of discounting	(83)
Total additional lease liabilities recognized on adoption of IFRS 16	434
Total lease liabilities at 1 January 2019	434
Of which - current	—
- non-current	434

*Leases not yet commenced*

The operating lease commitments disclosed as at 31 December 2018 include amounts relating to leases entered into by the company that had not yet commenced as at 31 December 2018. In accordance with IFRS 16 assets and liabilities will not be recognized on the company balance sheet in relation to these leases until the dates of commencement of the leases. Commitments for leases not yet commenced as at 31 December 2019 are disclosed in Note 18.

*Effect of discounting*

The amount of the lease liability recognized in accordance with IFRS 16 is on a discounted basis whereas the operating lease commitments information as at 31 December 2018 is presented on an undiscounted basis. The discount rates used on transition were incremental borrowing rates as appropriate for each lease based on factors such as the lessee legal entity, lease term and currency. The weighted average discount rate used on transition was around 3.5%, with a weighted average remaining lease term of around nine years. For new leases commencing after 1 January 2019 the discount rate used will be the interest rate implicit in the lease, if this is readily determinable, or the incremental borrowing rate if the implicit rate cannot be readily determined.

Under IAS 17 finance leases were recognized on the balance sheet and continue to be recognized in accordance with IFRS 16. The amounts recognized on the balance sheet as at 1 January 2019 in relation to the right-of-use assets and liabilities for previous finance leases within joint operations are on a net or gross basis as appropriate as described above.

In addition to the lease liability, other line items on the balance sheet adjusted on transition to IFRS 16 include tangible assets for the right-of-use assets, lease related prepayments, lease related accruals and onerous lease provisions, as set out below.

	\$ million		
	31 December 2018	1 January 2019	Adjustment on adoption of IFRS 16
<b>Fixed assets</b>			
Tangible assets	566	968	402
<b>Current assets</b>			
Prepayments	384	374	(10)
<b>Creditors: amounts falling due after more than one year</b>			
Accruals	(9)	—	9
Lease liabilities	—	(434)	(434)
Provisions	(122)	(102)	20
<b>Net assets*</b>	<b>55,834</b>	<b>55,821</b>	<b>(13)</b>
<b>Capital and reserves</b>			
Profit and loss account	5,900	5,887	13

\* Net assets also includes the line items not affected by the transition to IFRS 16 that are not presented separately in the table.

## NOTES TO THE FINANCIAL STATEMENTS

**3. Turnover and other income**

Turnover is mainly comprised of sales of goods.

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

	2019	2018
	\$ million	\$ million
Other revenue from customers	67,438	66,890
Group gain sharing arrangements	382	19
Held for trading (loss)/gain	(83)	51
	<u>67,737</u>	<u>66,960</u>
Other operating income	27	68
Interest receivable and similar income (Note 6)	2,651	2,705
Dividend income	10,485	2,178
	<u>80,900</u>	<u>71,911</u>

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

	2019	2018
	\$ million	\$ million
Class of business:		
Downstream	68,328	67,781
Other business and corporate	71	55
Sales between businesses	(662)	(876)
Total	<u>67,737</u>	<u>66,960</u>

**4. Operating profit**

This is stated after charging:

	2019	2018
	\$ million	\$ million
Operating lease payments:		
- Plant & machinery <sup>d</sup>	—	16
- Land & buildings <sup>d</sup>	—	76
Net foreign exchange losses	77	65
Research and development costs expensed	67	91
Amortization of intangible assets	44	47
Depreciation of tangible assets	72	83
Depreciation of right-of-use assets <sup>c</sup>	73	—
Impairment of tangible assets	3	—
Impairment of investments	—	576
Cost of stock recognized as an expense <sup>a</sup>	38,285	36,745
Loss on disposal of tangible assets <sup>a</sup>	9	—
Loss on disposal of investments <sup>b</sup>	—	662

<sup>a</sup> Amount is included in Cost of sales.

<sup>b</sup> Amount is included in Administrative expenses. In 2018, the loss on disposal of investments relates to the company's investment in BP Australia Swaps Management Limited, which cancelled and extinguished 3,312,500,000 of its \$1.00 ordinary shares and returned to the company a capital payment of \$2,650 million.

<sup>c</sup> The line indicated is in respect of the application of IFRS 16 in the current year only.

**NOTES TO THE FINANCIAL STATEMENTS**

<sup>d</sup> The amount shown for the comparative period relates to leases previously classified as operating leases under IAS 17.

**5. Auditor's remuneration**

	2019	2018
	\$ million	\$ million
Fees for the audit of the company	3	3

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 International Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

**6. Interest receivable and similar income**

	2019	2018
	\$ million	\$ million
Interest income from amounts owed by group undertakings	2,380	2,445
Other interest income	271	260
Total interest receivable and similar income	2,651	2,705

**7. Interest payable and similar expenses**

	2019	2018
	\$ million	\$ million
Interest expense on:		
Lease liabilities <sup>a</sup>	12	—
Loans from group undertakings	2,927	2,931
Other loans	6	13
Other interest expense	504	318
Total interest payable and similar expenses	3,449	3,262

<sup>a</sup> In respect of the application of IFRS 16 in the current year only.

**8. 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:

	2019	2018
	\$ million	\$ million
<b>Current tax</b>		
UK corporation tax on income for the year	1	1
UK tax (overprovided) / underprovided in prior years	(2)	1
Overseas tax on income for the year	5	6
Total current tax charged	4	8
<b>Deferred tax</b>		
Origination and reversal of temporary differences	—	142
Adjustments in prior year temporary differences	—	25
Total deferred tax charged	—	167
Tax charged on profit	4	175

**NOTES TO THE FINANCIAL STATEMENTS****(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 2019 (2018 19%). The differences are reconciled below:

	2019	2018
	UK	UK
	\$ million	\$ million
Profit / (loss) before tax	10,324	(216)
Tax charge	4	175
Effective tax rate	—%	(81)%
	2019	2018
	UK	UK
	%	%
UK corporation tax rate:	19	19
Increase / (decrease) resulting from:		
Non-deductible expenditure / (non-taxable income)	—	(121)
Overseas tax	—	(4)
Free group relief	—	(88)
Deferred tax provided at lower rates	—	8
Adjustments to tax charge in respect of previous years	—	(12)
Dividends not subject to UK tax	(19)	192
Movements in unrecognized deferred tax	—	(75)
Effective tax rate	—	(81)

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

**Change in corporation tax rate**

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

**(b) Provision for deferred tax**

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

	Profit and loss account		Balance sheet	
	2019	2018	2019	2018
Deferred tax asset	\$000	\$000	\$000	\$000
Decommissioning and other provisions	—	3	—	—
Depreciation in excess of capital allowances	—	150	—	—
Other deductible temporary differences	—	14	—	—
Net credit for deferred tax assets	—	167	—	—

Deferred tax has not been recognised on deductible temporary differences relating to provisions of \$10 million (2018 \$62 million), fixed assets of \$1,464 million (2018 \$1,031 million), tax-losses of \$4 million (2018 \$48 million) with no fixed expiry date on the basis that they are UK tax attributes that are not expected to give rise to any future tax benefit.

**NOTES TO THE FINANCIAL STATEMENTS****9. 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 (2018: \$Nil).

The remaining directors are senior executives of, and are remunerated by, BP p.l.c. and receive no remuneration for services to this company or its subsidiary undertakings.

**(b) Employee costs**

The company had no employees during the year (2018 Nil).

**10. Intangible assets**

	Goodwill	Software & other	Total
Cost	\$ million	\$ million	\$ million
At 1 January 2019	42	813	855
Exchange adjustments	—	14	14
Additions	—	103	103
Disposals	—	(40)	(40)
Transfers	—	(14)	(14)
At 31 December 2019	42	876	918
<b>Amortization</b>			
At 1 January 2019	42	692	734
Exchange adjustments	—	10	10
Disposals	—	(40)	(40)
Charge for the year	—	44	44
At 31 December 2019	42	706	748
<b>Net book value</b>			
At 31 December 2019	—	170	170
At 31 December 2018	—	121	121

**NOTES TO THE FINANCIAL STATEMENTS****11. Tangible assets**

	Downstream \$ million	Corporate & other \$ million	Total \$ million	Of which AUC <sup>a</sup> \$ million
<b>Cost - owned tangible assets</b>				
At 1 January 2019	473	853	1,326	96
Exchange adjustments	24	28	52	2
Additions	39	56	95	35
Disposals	(49)	(43)	(92)	—
Transfers	(8)	(14)	(22)	(54)
At 31 December 2019	479	880	1,359	79
<b>Depreciation - owned tangible assets</b>				
At 1 January 2019	162	598	760	
Exchange adjustments	19	19	38	
Charge for the year	32	40	72	
Impairment	3	—	3	
Disposals	(44)	(39)	(83)	
Transfers	(3)	(11)	(14)	
At 31 December 2019	169	607	776	
<b>Owned tangible assets - net book value</b>				
At 31 December 2019	310	273	583	79
<b>Right-of-use assets - net book value</b>				
At 31 December 2019	108	316	424	—
<b>Total tangible assets net book value</b>				
At 31 December 2019	418	589	1,007	79
<b>Total net book value</b>				
At 31 December 2018	311	255	566	96

<sup>a</sup> AUC = assets under construction. Assets under construction are not depreciated.

The depreciation expense recognized for the year on right-of-use assets was \$73 million.

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

	Investment in subsidiaries	Investment in associates / joint ventures	Loans to associates / joint ventures	Other investments	Total
Cost	\$ million	\$ million	\$ million	\$ million	\$ million
At 1 January 2018	99,920	25	3	7	99,955
Additions	8,031	1	—	—	8,032
Disposals	(3,368)	—	—	—	(3,368)
At 31 December 2018	104,583	26	3	7	104,619
At 1 January 2019	104,583	26	3	7	104,619
Additions	39	—	—	5	44
At 31 December 2019	104,622	26	3	12	104,663
<b>Impairment losses</b>					
At 1 January 2018	5,495	—	—	4	5,499
Charge for the year	576	—	—	—	576
Disposals	(1)	—	—	—	(1)
At 31 December 2018	6,070	—	—	4	6,074
At 1 January 2019	6,070	—	—	4	6,074
At 31 December 2019	6,070	—	—	4	6,074
<b>Net book amount</b>					
At 31 December 2019	98,552	26	3	8	98,589
At 31 December 2018	98,513	26	3	3	98,545

During the year the company made an investment into its new shareholdings in BP Pension Escrow Limited (\$26 million) and an additional investment into its existing shareholdings of Britannic Energy Trading Limited (\$13 million).

In 2018, the company made additional investments into its existing shareholdings of BP Finance p.l.c (\$2,732 million), BP Technology Ventures Limited (\$450 million), Britannic Trading Limited (\$25 million) and Britannic Energy Trading Limited (\$14 million). The company also bought a 100% shareholding in BP South America Holdings Limited for \$4,810 million.

Disposals in the prior year largely relate to the company's investment in BP Australia Swaps Management Limited (BPASM), which had a carrying value brought forward of \$6,142 million. On 24 July 2018, BPASM undertook a share capital reduction by cancelling and extinguishing 1,500,000,000 ordinary shares of US\$1.00 each and made a capital payment of \$1,200 million to the company. On 2 November 2018, a second capital reduction was approved, with BPASM cancelling and extinguishing a further 1,812,500,000 ordinary shares of US\$1.00 each and returning an additional \$1,450 million of capital to the company. The two capital reductions resulted in a decrease in carrying value of \$3,312 million to \$2,830 million. As the total disposal proceeds were \$2,650 million, this generated a loss on disposal of \$662 million.

The company was required to perform an impairment review of its investments in the year. As a result of this review, no impairment charge (2018 \$576 million) was recognized. In 2018, an impairment charge of \$338 million was recognized against the company's \$2,624 million investment in BP Regional Australasia Holdings Pty Limited. An additional \$238 million impairment charge was recognised against the company's \$263 million investment in Britannic Trading Limited.

**NOTES TO THE FINANCIAL STATEMENTS**

The investments in subsidiaries, associates and joint ventures are all stated at cost less provision for impairment.

The investments in the subsidiary and associated undertakings and joint ventures are unlisted.

The subsidiary and other undertakings of the company at 31 December 2019 and the percentage of equity capital held set out below are the investments which principally affected the profits or net assets of the company. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

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

**Subsidiary undertakings**

<b>Company name</b>	<b>Class of share held</b>	<b>%</b>	<b>Registered Address</b>	<b>Principal activity</b>
BP Alternative Energy Investments Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Holding company
BP Australia Swaps Management Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Finance
BP Capital Markets p.l.c.	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Finance
BP Corporate Holdings Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Holding company
BP Exploration Company Limited	Ordinary	100	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Exploration and production
BP Finance p.l.c.	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Finance
BP Oil UK Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Refining and marketing
BP Regional Australasia Holdings Pty Limited	Ordinary	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Holding company
BP Russian Investments Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Holding company
BP Shipping Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Shipping
BP Singapore Pte. Limited	Ordinary	100	7 Straits View #26-01, Marina One East Tower, Singapore, 018936, Singapore	Energy trading
BP South America Holdings Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Holding company
BP Technology Ventures Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Holding company

For a full list of significant related undertakings, please see Note 30.



**NOTES TO THE FINANCIAL STATEMENTS****13. Stocks**

	2019	2018
	\$ million	\$ million
Trading stocks	2,553	1,758
Non-trading stocks	26	24
	<u>2,579</u>	<u>1,782</u>

The difference between the carrying value of stocks and their replacement cost is not material.

Trading stocks are valued using quoted benchmark prices as appropriate for location and quality differentials. They are predominantly categorized within level 2 of the fair value hierarchy.

**14. Debtors**

Amounts falling due within one year:

	2019	2018
	\$ million	\$ million
Trade debtors	4,342	2,655
Amounts owed from fellow subsidiaries	37,346	32,729
Amounts owed from associates	114	93
Other debtors	343	392
Prepayments and accrued income	379	384
Taxation	99	112
	<u>42,623</u>	<u>36,365</u>

Amounts falling due after one year:

	2019	2018
	\$ million	\$ million
Amounts owed from fellow subsidiaries	35,374	40,431
Other debtors	66	87
Loans to associates	4	2
	<u>35,444</u>	<u>40,520</u>
Total debtors	<u>78,067</u>	<u>76,885</u>

The amounts owed from fellow subsidiaries due within one year comprise an overnight funding account of \$37,346 million (2018 \$32,729 million). Interest is mainly accrued on a monthly basis based on 1-month IBOR plus a margin appropriate to the credit risk of the borrower.

In both 2019 and 2018 the company entered into non-recourse arrangements to discount certain receivables in support of supply and trading activities and the management of credit risk.

Trade and other receivables are predominantly non-interest bearing. See Note 19 for further information.

**NOTES TO THE FINANCIAL STATEMENTS****15. Valuation and qualifying accounts**

	2019 \$ million			2018 \$ million		
	Not credit-impaired	Credit impaired	Trade and other receivables	Not credit-impaired	Credit impaired	Trade and other receivables
At 1 January - IFRS 9	48	109	157	10	126	136
Charged to costs and expenses	8	25	33	38	1	39
Deductions	—	(8)	(8)	—	(18)	(18)
At 31 December	56	126	182	48	109	157

Valuation and qualifying accounts relating to trade and other receivables comprise expected credit loss allowances. The adjustment on adoption of IFRS 9 related to the additional loss allowance required by IFRS 9's expected credit loss model.

In addition to the amounts presented above, expected loss allowances on cash and cash equivalents classified as measured at amortized cost totalled \$5 million (2018 \$6 million). For further information on the company's credit risk management policies see Note 21 Financial Instruments and financial risk factors.

Valuation and qualifying accounts are deducted in the balance sheet from the assets to which they apply.

**16. Creditors**

Amounts falling due within one year:

	2019 \$ million	2018 \$ million
Trade creditors	9,201	6,769
Amounts owed to fellow subsidiaries	77,138	74,222
Amounts owed to associates	742	559
Other creditors	904	599
Taxation	7	9
Other taxes and social security costs	9	22
Accruals and deferred income	664	535
	<u>88,665</u>	<u>82,715</u>

Amounts falling after one year:

	2019 \$ million	2018 \$ million
Amounts owed to fellow subsidiaries	46,054	54,834
Accruals and deferred income	—	9
Loans (Note 17)	1,010	112
	<u>47,064</u>	<u>54,955</u>
Total creditors	<u>135,729</u>	<u>137,670</u>

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 active management of supplier payment terms within this range enables the company to optimize and reduce volatility in cash flow.

**NOTES TO THE FINANCIAL STATEMENTS**

The amounts owed to fellow subsidiaries due within one year comprise an overnight funding account of \$77,138 million (2018 \$74,222 million). Interest is mainly accrued on a monthly basis based on 1-month IBOR minus 11 basis points.

**17. Loans and obligations under leases**

Loans repayable and obligations under leases, included within creditors, are analysed as follows:

Within 5 years

	2019			2018		
	Loans	Lease liabilities	Total	Loans	Lease liabilities	Total
	\$million	\$million	\$million	\$million	\$million	\$million
Wholly repayable	1,010	—	1,010	112	—	112
Not wholly repayable	—	224	224	—	—	—
	1,010	224	1,234	112	—	112

After 5 years

	2019		2018	
	Lease liabilities	Total	Lease liabilities	Total
	\$million	\$million	\$million	\$million
Not wholly repayable	234	234	—	—
	234	234	—	—

The amounts presented for 2019 relate to the maturity of lease liabilities under IFRS 16. The amounts presented for 2018 represent finance leases accounted for under IAS 17.

**18. Leases**

The company leases a number of assets as part of its activities. This primarily includes office accommodation across the group. The weighted average remaining lease term for the total lease portfolio is around 15 years. Some leases will have payments that vary with market interest or inflation rates.

The company may enter into lease arrangements a number of years before taking control of the underlying asset due to construction lead times or to secure future operational requirements. The total undiscounted amount for future commitments for leases not yet commenced as at 31 December 2019 is \$412 million.

	2019
	\$ million
Short-term lease expense	26
Additions to right-of-use assets in the period	95
Total cash outflow for amounts included in lease liabilities	96

An analysis of right-of-use assets and depreciation is provided in Note 11.

**19. Financial instruments and financial risk factors**

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below.

At 31 December 2019	Note	Measured at amortized cost \$ million	Mandatorily measured at fair value through profit or loss \$ million	Derivative hedging instruments \$ million	Total carrying amount \$ million
<b>Financial assets</b>					
Loans	17	2	(1)	—	1
Trade and other debtors	14	77,764	—	—	77,764
Derivative financial instruments	20	—	1,237	482	1,719
Cash and cash equivalents		13,028	4,289	—	17,317
<b>Financial liabilities</b>					
Trade and other creditors	16	(134,048)	—	—	(134,048)
Derivative financial instruments	20	—	(1,846)	(672)	(2,518)
Accruals	16	(664)	—	—	(664)
Lease liabilities	17	(458)	—	—	(458)
Finance debt		(1,010)	—	—	(1,010)
		<u>(45,386)</u>	<u>3,679</u>	<u>(190)</u>	<u>(41,897)</u>

At 31 December 2018	Note	Measured at amortized cost \$ million	Mandatorily measured at fair value through profit or loss \$ million	Derivative hedging instruments \$ million	Total carrying amounts \$ million
<b>Financial assets</b>					
Loans	17	2	21	—	23
Trade and other debtors	14	76,492	—	—	76,492
Derivative financial instruments	20	—	1,008	309	1,317
Cash and cash equivalents		15,118	2,103	—	17,221
<b>Financial liabilities</b>					
Trade and other creditors	16	(137,005)	—	—	(137,005)
Derivative financial instruments	20	—	(1,584)	(1,227)	(2,811)
Accruals	16	(544)	—	—	(544)
Finance debt		(112)	—	—	(112)
		<u>(46,049)</u>	<u>1,548</u>	<u>(918)</u>	<u>(45,419)</u>

As a result of the adoption of IFRS 16 'Leases', leases that were previously classified as finance leases under IAS 17 are now presented as 'Lease liabilities' on the balance sheet and therefore do not form part of finance debt.

## NOTES TO THE FINANCIAL STATEMENTS

For all financial instruments, the carrying amount is either the fair value, or approximates the fair value.

Information on gains and losses on derivative financial assets and financial liabilities classified as measured at fair value through profit or loss is provided in the derivative gains and losses section of Note 20.

Interest income and expenses arising on financial instruments is disclosed in Notes 6 and 7 respectively.

### ***Financial risk factors***

The management of financial risks is performed at BP group level. The main risk factors applicable to the company are market risk (including commodity price risk) 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 2019.

### ***Market risk***

The company, as part of the BP group, measures commodity price risk exposure arising from its trading positions in liquid periods using value-at-risk techniques. These techniques make a statistical assessment of the market risk arising from possible future changes in market prices over a one-day holding period. The value-at-risk measure is supplemented by stress testing. Trading activity occurring in liquid periods is subject to value-at-risk limits for each trading activity and for this trading activity in total. The BP group board has delegated a limit of \$100 million value at risk in support of this trading activity. Alternative measures are used to monitor exposures which are outside liquid periods and which cannot be actively risk-managed.

### ***Credit risk***

The maximum credit exposure associated with financial assets is equal to the carrying amount. The company does not aim to remove credit risk entirely but expects to experience a certain level of credit losses.

Management information used to monitor credit risk, which reflects the impact of collateral held, indicates that the risk profile of financial assets which are subject to review for impairment under IFRS 9 is as set out below.

	%	%
	As at 31 December 2019	As at 31 December 2018 <sup>a</sup>
AAA to AA-	11%	14%
A+ to A-	32%	63%
BBB+ to BBB-	1%	2%
B+ to B-	2%	13%
Pooled	54%	8%

<sup>a</sup> Change in the prior year's credit risk disclosure to align with current year's presentation where it represents assets held at amortized cost (trade and other receivables, cash and cash equivalents, but not IFA balances) which would be included in the expected loss calculation.

**NOTES TO THE FINANCIAL STATEMENTS*****Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements***

The following table shows the gross amounts of recognized financial assets and liabilities (i.e. before offsetting) and the amounts offset in the balance sheet.

Amounts which cannot be offset under IFRS, but which could be settled net under the terms of master netting agreements if certain conditions arise, and collateral received or pledged, are also shown in the table to show the total net exposure of the group.

	Gross amounts of recognized financial assets (liabilities)	Amounts set off	Net amounts presented on the balance sheet	Related amounts not set off in the balance sheet		Net amount
	\$ million	\$ million	\$ million	Master netting arrangements	Cash collateral received	\$ million
At 31 December 2019						
Derivative assets	1,719	(80)	1,639	(503)	(159)	977
Derivative liabilities	(2,441)	—	(2,441)	503	—	(1,938)
Trade receivables	742	—	742	(447)	—	295
Trade payables	(1,446)	—	(1,446)	447	—	(999)
At 31 December 2018						
Derivative assets	1,317	(7)	1,310	(401)	(155)	754
Derivative liabilities	(2,704)	9	(2,695)	401	—	(2,294)
Trade receivables	933	(1)	932	(558)	(1)	373
Trade payables	(1,178)	1	(1,177)	558	—	(619)

## NOTES TO THE FINANCIAL STATEMENTS

### *Liquidity risk*

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. The company's liquidity is managed centrally with operating units forecasting their cash and currency requirements to the central treasury function. Unless restricted by local regulations, subsidiaries pool their cash surpluses to treasury, which will then arrange to fund other subsidiaries' requirements, or invest any net surplus in the market or arrange for necessary external borrowings, while managing the company's overall net currency positions.

The company manages liquidity risk associated with derivative contracts based on the expected maturity of both derivative assets and liabilities as indicated in Note 20. Management does not currently anticipate any cash flows that could be of a significantly different amount, or could occur earlier than the expected maturity analysis provided.

The company also utilizes various arrangements in order to manage its working capital including discounting of receivables and, in the supply and trading business, the active management of supplier payment terms, inventory and collateral. In line with normal industry practice some supplier arrangements utilize letter of credit (LC) facilities. In certain of those arrangements the company's payments are made to the supplier of the LC rather than the supplier.

At 31 December 2019, the group had substantial amounts of undrawn borrowing facilities available, consisting of \$7,625 million (2018 \$7,625 million) of standby facilities, all of which is available to draw and repay up to the first half of 2022. These facilities are with 25 international banks, and borrowings under them would be at pre-agreed rates. On 13th March the company entered into a committed \$10,000 million credit facility which is available for two years at pre-agreed margins.

## **20. Derivatives and other financial instruments**

In the normal course of business the company enters into derivative financial instruments (derivatives), to manage its normal business exposures in relation to commodity prices, foreign currency exchange rates and interest rates, including management of the balance between floating rate and fixed rate debt consistent with risk management policies and objectives.

For information on significant estimates and judgements made in relation to the application of hedge accounting and the valuation of derivatives, see Derivative financial instruments and hedging activities within Note 2.

The fair values of derivative financial instruments at 31 December are set out below.

### *Derivatives held for trading*

The company maintains active trading positions in a variety of derivatives. The contracts may be entered into for risk management purposes, to satisfy supply requirements or for entrepreneurial trading. Certain contracts are classified as held for trading, regardless of their original business objective, and are recognized at fair value with changes in fair value recognized in the profit and loss account. Trading activities are undertaken by using a range of contract types in combination to create incremental gains by the arbitraging process between markets, locations and time periods. The net of these exposures is monitored using market value-at-risk techniques.

### *Embedded derivatives*

Prior to the development of an active gas trading market, UK gas contracts were priced using a basket of available price indices, primarily relating to oil products, power and inflation. After the development of an active UK gas market, certain contracts were entered into or renegotiated using pricing formulae not directly related to gas prices, for example, oil product and power prices. In these circumstances, pricing formulae have been determined to be derivatives, embedded within the overall contractual arrangements that are not clearly and closely related to the underlying commodity. The resulting fair value relating to these contracts is recognized on the balance sheet with gains or losses recognized in the profit and loss account. All embedded derivatives are valued using inputs that include price curves for each of the different products that are built up from active market pricing data. Where necessary, these are extrapolated to the expiry of the contracts (the last of which is



**NOTES TO THE FINANCIAL STATEMENTS**

in 2018) using all available external pricing information. Additionally, where limited data exists for certain products, prices are interpolated using historic and long-term pricing relationships.

The fair values of derivative financial instruments at 31 December are set out below:

	2019	2019	2018	2018
	Fair value asset	Fair value liability	Fair value asset	Fair value liability
	\$ million	\$ million	\$ million	\$ million
<b>Fair value hedges</b>				
- Currency forwards, futures and swaps	344	(637)	158	(788)
- Interest rate swaps	138	(35)	146	(445)
	<u>482</u>	<u>(672)</u>	<u>304</u>	<u>(1,233)</u>
<b>Derivatives held for trading</b>				
- Currency derivatives	73	(750)	112	(954)
- Oil price derivatives	1,087	(1,019)	794	(515)
- Other derivatives	77	—	107	—
- Interest rate contracts	—	—	—	(2)
	<u>1,237</u>	<u>(1,769)</u>	<u>1,013</u>	<u>(1,471)</u>
<b>Embedded derivative commodity price contracts</b>				
- Other derivatives	—	(77)	—	(107)
	<u>—</u>	<u>(77)</u>	<u>—</u>	<u>(107)</u>
	<u>1,719</u>	<u>(2,518)</u>	<u>1,317</u>	<u>(2,811)</u>
<b>Of which:</b>				
– current derivatives with third parties	1,120	(1,152)	791	(788)
– current intercompany derivatives with subsidiary undertakings	4	(241)	54	(26)
– non-current derivatives with third parties	595	(1,125)	468	(1,889)
– non-current intercompany derivatives with subsidiary undertakings	—	—	4	(108)
	<u>1,719</u>	<u>(2,518)</u>	<u>1,317</u>	<u>(2,811)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

Derivative assets and liabilities held for trading have the following fair values and maturities:

2019	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Fair value of derivative assets							
Level 2	947	31	10	78	—	—	1,066
Level 3	174	—	—	77	—	—	251
	1,121	31	10	155	—	—	1,317
Less: netting by counterparty	(2)	—	—	(78)	—	—	(80)
	1,119	31	10	77	—	—	1,237
Fair value of derivative liabilities							
Level 2	(1,105)	(296)	(206)	(1)	(23)	(70)	(1,701)
Level 3	(68)	—	—	—	—	—	(68)
	(1,173)	(296)	(206)	(1)	(23)	(70)	(1,769)
Less: netting by counterparty	—	—	—	—	—	—	—
	(1,173)	(296)	(206)	(1)	(23)	(70)	(1,769)
Net fair value	(54)	(265)	(196)	76	(23)	(70)	(532)

**NOTES TO THE FINANCIAL STATEMENTS**

2018	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Fair value of derivative assets							
Level 2	830	51	12	2	—	—	895
Level 3	18	—	—	—	107	—	125
	<u>848</u>	<u>51</u>	<u>12</u>	<u>2</u>	<u>107</u>	<u>—</u>	<u>1,020</u>
Less: netting by counterparty	(8)	1	—	—	—	—	(7)
	<u>840</u>	<u>52</u>	<u>12</u>	<u>2</u>	<u>107</u>	<u>—</u>	<u>1,013</u>
Fair value of derivative liabilities							
Level 2	(799)	(124)	(262)	(175)	(3)	(98)	(1,461)
Level 3	(19)	—	—	—	—	—	(19)
	<u>(818)</u>	<u>(124)</u>	<u>(262)</u>	<u>(175)</u>	<u>(3)</u>	<u>(98)</u>	<u>(1,480)</u>
Less: netting by counterparty	9	—	1	(1)	—	—	9
	<u>(809)</u>	<u>(124)</u>	<u>(261)</u>	<u>(176)</u>	<u>(3)</u>	<u>(98)</u>	<u>(1,471)</u>
Net fair value	<u>31</u>	<u>(72)</u>	<u>(249)</u>	<u>(174)</u>	<u>104</u>	<u>(98)</u>	<u>(458)</u>

**NOTES TO THE FINANCIAL STATEMENTS*****Level 3 derivatives***

The following table shows the changes during the year in the net fair value of derivatives held for trading purposes within level 3 of the fair value hierarchy.

	Oil Price \$ million	Other \$ million
Net fair value of contracts as at 1 January 2019	(1)	107
Gains / (losses) recognized in profit and loss account	106	(30)
Settlements	1	—
Net fair value of contracts as at 31 December 2019	<u>106</u>	<u>77</u>

	Oil Price \$ million	Other \$ million
Net fair value of contracts as at 1 January 2018	(3)	115
Losses recognized in the profit and loss account	(1)	(8)
Settlements	3	—
Net fair value of contracts as at 31 December 2018	<u>(1)</u>	<u>107</u>

***Derivative gains and losses***

Gains and losses relating to derivative contracts are included within Turnover in the profit and loss account depending upon the nature of the activity and type of contract involved. The contract types treated in this way include futures, options, swaps and certain forward sales and forward purchases contracts, and relate to both currency and commodity trading activities. Gains or losses arise on contracts entered into for risk management purposes, optimisation activity and entrepreneurial trading. They also arise on certain contracts that are for normal procurement or sales activity for the group but that are required to be fair valued under accounting standards. Also included within sales and other operating revenues are gains and losses on inventory held for trading purposes.

The total amount relating to all these items (excluding gains and losses on realized physical derivative contracts that have been reflected gross in the profit and loss account within Turnover) was a net gain of \$299 million (2018 \$70 million net gain). This number does not include gains and losses on realized physical derivative contracts that have been reflected gross in the profit and loss account within sales and purchases or the change in value of transportation and storage contracts, but does include the associated financially settled contracts. The net amount for actual gains and losses relating to derivative contracts and all related items therefore may differ significantly from the amount disclosed above.

***Fair value hedges***

At 31 December 2019, the company held interest rate and cross-currency interest rate swap contracts as fair value hedges of the interest rate risk and foreign currency risk arising from company fixed rate debt issuances. The interest rate swaps are used to convert US dollar denominated fixed rate borrowings into floating rate debt. The cross-currency interest rate swaps are used to convert sterling, euro, Swiss franc, Australian dollar, Canadian dollar and Norwegian krone denominated fixed rate borrowings into US dollar floating rate debt. The company manages all risks derived from debt issuance, such as credit risk, however, the company applies hedge accounting only to certain components of interest rate and foreign currency risk in order to minimize hedge ineffectiveness. Note 29 of the BP group Annual Report and Form 20-F for the year ended 31 December 2019 outlines the group's approach to interest rate and foreign currency exchange risk management.

The interest rate and foreign currency exposures are identified and hedged on an instrument-by-instrument basis. For interest rate exposures, the company designates as a fair value hedge the benchmark interest rate component only. This is an observable and reliably measurable component of interest rate risk. For foreign currency exposures, the company excludes from the designation the foreign currency basis spread component implicit in the cross-currency interest rate swaps. This is separately calculated at hedge designation, is recognized in other comprehensive income over the life of the hedge and amortized to the income statement on a straight-line basis, in accordance with the company's policy on costs of hedging.

**NOTES TO THE FINANCIAL STATEMENTS**

The company applies hedge accounting where there is an economic relationship between the hedged item and the hedging instrument. The existence of an economic relationship is determined initially by comparing the critical terms of the hedging instrument and those of the hedged item and it is prospectively assessed using linear regression analysis. The company issues fixed rate debt and enters into interest rate and cross-currency interest rate swaps with critical terms that match those of the debt and on a 1:1 hedge ratio basis. The hedge ratio is determined by comparing the notional amount of the derivative with the notional amount of the debt. The hedge relationship is designated for the full term and notional value of the debt. Both the hedging instrument and the hedged item are expected to be held to maturity.

The company has identified the following sources of ineffectiveness, which are not expected to be material:

- derivative counterparty's credit risk which is not offset by the hedged item. This risk is mitigated by entering into derivative transactions only with high credit quality counterparties; and
- sensitivity to interest rate between the hedged item and the derivatives. This is driven by differences in payment frequencies between the instrument and the bond.

The table below summarizes the change in the fair value of hedging instruments and the hedged item used to calculate ineffectiveness in the period.

	\$ million		
	Change in fair value of hedging instruments used to calculate ineffectiveness	Change in fair value of hedged item used to calculate ineffectiveness	Hedge ineffectiveness recognised in profit or (loss)
At 31 December 2019			
Fair value hedges			
Interest rate risk on finance debt	(547)	524	23
Interest rate and foreign currency risk on finance debt	(336)	286	50

The table below summarizes the carrying amount of the derivatives designated as hedging instruments in fair value hedge relationships at 31 December 2019.

	\$ million		
	Carrying amount of hedging instrument		Nominal amount of hedging instruments
	Assets	Liabilities	
At 31 December 2019			
Fair value hedges			
Interest rate risk on finance debt	138	(35)	13,442
Interest rate and foreign currency risk on finance debt	344	(637)	21,297

All hedging instruments are presented within derivative financial instruments on the company balance sheet. Ineffectiveness arising on fair value hedges is included within the cost of sales section of the income statement.

The table below summarizes the profile by tenor of the nominal amount of the derivatives designated as hedging instruments in fair value hedge relationships at 31 December 2019. The weighted average floating interest rate of these interest rate swaps and cross-currency interest rate swaps was 2.36% (2018 3.04%) and 3.27% (2018 4.07%) respectively.

**NOTES TO THE FINANCIAL STATEMENTS**

	\$ million							
At 31 December	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Total
Fair value hedges								
Interest rate risk on debt	3,000	2,576	4,038	1,200	206	2,422	—	13,442
Interest rate and foreign currency risk on debt	882	672	1,400	2,777	3,108	10,216	2,242	21,297

The table below summarizes the carrying amount, and the accumulated fair value adjustments included within the carrying amount, of the hedged items designated in fair value hedge relationships at 31 December 2019.

	\$ million				
	Carrying amount of hedged item		Accumulated fair value adjustment included in the carrying amount of hedged items		Discontinued hedges
At 31 December	Assets	Liabilities	Assets	Liabilities	
Fair value hedges					
Interest rate risk on debt	—	(8,711)	—	(100)	(408)
Interest rate and foreign currency risk on debt	—	(21,240)	—	(525)	—

The hedged item for all fair value hedges is presented within finance debt on the group balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS*****Movement in reserves related to hedge accounting***

The table below provides a reconciliation of the costs of hedging reserves on a pre-tax basis by risk category.

	\$ million	
	Costs of hedging reserves Interest rate and foreign currency risk on debt	Total
As at 1 January 2019	(456)	(456)
Recognised in other comprehensive income		
Costs of hedging marked to market	(4)	(4)
Costs of hedging reclassified to the profit and loss account <sup>a</sup>	289	289
	285	285
As at 31 December 2019	(171)	(171)

<sup>a</sup> Out of \$289 million, \$234 million relates to reclassification of the accumulated foreign exchange losses from costs of hedging reserve to profit and loss account.

Costs of hedging relates to the foreign currency basis spreads of hedging instruments used to hedge the company's interest rate and foreign currency risk on debt which is a time-period related item.

**21. Capital management**

The company defines capital as total equity (which is the company's net asset value). We maintain our financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base.

The company monitors capital on the basis of gearing (previously termed 'net debt ratio'), that is, the ratio of net debt to net debt plus equity. Net debt is calculated as finance debt, as shown in the balance sheet, plus the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt for which hedge accounting is applied, less cash and cash equivalents. All components of equity are included in the denominator of the calculation.

At 31 December 2019, gearing was 57% (2018 63%). The company's nature of business is such that it holds large amounts of receivables from other group companies, many of which are due after one year. As a result, large parts of the assets are excluded from the gearing ratio. The company is the principal in-house bank and a significant holding and operating company within the BP group.

**NOTES TO THE FINANCIAL STATEMENTS****22. Other provisions**

	Other \$ million
As at 1 January	102
Exchange adjustments	1
New or increased provisions:	
Charged to profit and loss account	4
Write-back of unused provisions	(14)
Unwinding of discount	1
Transfer	(5)
Utilization	(21)
At 31 December 2019	<u>68</u>

For information on significant judgements and estimates made in relation to provisions, see Provisions within Note 2.

The opening balance includes an adjustment of \$20 million for the implementation of IFRS 16. See Note 2 for further information.

**23. Called up share capital**

	2019 \$ million	2018 \$ million
Issued and fully paid:		
33,538,111,932 ordinary of £1 each for a total nominal value of £33,538,111,932	50,641	50,641
	<u>50,641</u>	<u>50,641</u>

**24. 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.

*Costs of hedging reserve*

This reserve records the change in fair value of the foreign currency basis spread of financial instruments to which cost of hedge accounting has been applied. The accumulated amount relates to time-period related hedged items and is amortized to profit or loss over the term of the hedging relationship.

Prior to the company's adoption of IFRS 9 changes in the fair value of such foreign currency basis spreads were recognized in profit or loss. On adoption of the new standard on 1 January 2018 a transfer from the profit and loss account reserve to the costs of hedging reserve was made in order to reflect the opening reserves position for relevant hedging instruments existing on transition. For further information on the accounting for costs of hedging see Note 2 - Derivative financial instruments and hedging activities.

*Foreign currency translation reserve*

The foreign currency translation reserve is used to record the currency fluctuations in relation to the foreign currency branches.

*Profit and loss account*

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



**NOTES TO THE FINANCIAL STATEMENTS**

In 2019, the company paid interim ordinary dividends of \$5,708 million (2018 \$535 million). The dividend per share was \$0.17 (2018 \$0.02).

**25. Capital commitments**

Authorized and contracted future capital expenditure (excluding right-of-use assets) by the company for which contracts had been placed but not provided in the financial statements at 31 December 2019 is estimated at \$101 million (2018 \$472 million).

**26. Guarantees and other financial commitments**

The company has issued guarantees under which amounts outstanding at 31 December 2019 were \$29,391 million (2018 \$29,375 million), the majority of which relate to obligations of fellow subsidiaries of BP p.l.c. No material losses are likely to arise from these guarantees.

**27. 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.

**NOTES TO THE FINANCIAL STATEMENTS**

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

Related party	Sales to related party	Purchases from related party	Amounts owed from related party	Amounts owed to related party
	\$ million	\$ million	\$ million	\$ million
<b>Aker BP ASA</b>				
Associate				
Exploration				
2019	—	786	2	344
2018	—	1,120	2	204
<b>BP Sinopec Marine Fuels Pte. Limited</b>				
Associate				
Marine Fuels				
2019	—	—	37	—
2018	—	—	37	—
<b>Rosneft Oil Company</b>				
Associate				
Exploration, extraction and processing				
2019	239	4,053	51	369
2018	448	4,321	42	352
<b>Amoco (Fiddich) Limited</b>				
Subsidiary				
Exploration				
2019	—	—	—	306
2018	—	—	—	293
<b>BP Capital Markets p.l.c</b>				
Subsidiary				
Treasury services				
2019	—	—	161	472
2018	—	—	3,243	531
<b>BP Egypt West Mediterranean (Block B) B.V.</b>				
Subsidiary				
Exploration				
2019	—	—	983	—
2018	—	—	684	—
<b>BP Exploration (El Djazair) Limited</b>				
Subsidiary				
Exploration				
2019	—	—	—	655
2018	—	—	—	1,586
<b>Britannic Strategies Limited</b>				
Subsidiary				
Sales, marketing and distribution				
2019	3	19	3	118
2018	—	13	1	107

**NOTES TO THE FINANCIAL STATEMENTS****28. Post balance sheet events**

Since 31 December 2019, oil and gas prices have fallen sharply 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. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Further details are provided in the Directors' Report under Going Concern. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 16 January 2020, the company and BP Corporation North America Inc. acting as borrowers, approved entry into a USD \$10 billion facility agreement with BNP acting in its capacity as underwriter and agent bank and BP p.l.c. acting as the guarantor, to address the uncertain environment at scale and, to provide BP with flexibility over two years broadly matching BP's current debt maturities for the next two years.

On 11 February 2020, the company issued a guarantee contract for \$1,500 million in respect of obligations of BP Gas Marketing Ltd under a LNG Sales and Purchase Agreement with the Tortue Partners (the consortium developing the Tortue LNG project in Mauritania and Senegal, of which BP upstream holds a 61% share).

On 30 March 2020, the company approved equity injections up to the amount of \$500 million into Britannic Trading Limited, to subscribe for a number of additional ordinary shares of £1.00 each at par value in the capital of the company up to an aggregate price of \$500 million.

On 15 June 2020 BP issued a press release detailing revised investment appraisal long-term oil and gas price assumptions used in tangible assets impairment testing. The revised long-term price assumptions used to determine recoverable amount based on value-in-use impairment tests are an average of \$55/bbl for Brent and \$2.90 per MMBtu for Henry Hub for the period of 2021-2050 (in 2020 prices). Impairment tests have been performed for the purposes of the BP Plc group financial statements as at 30 June 2020. As a result of the revised long-term price assumptions and a review of the long-term strategic plan, management also reviewed BP's exploration prospects and the carrying value of the associated intangible assets. The outcome of the review has resulted in revised judgements over the expectations to extract value from certain prospects. Impairment charges related to tangible, exploration and appraisal assets will be recognised in subsidiary undertakings of the company. As these revisions and impairments relate to events and circumstances arising since 31 December, this is non-adjusting event for the financial statements for the period ending 31 December 2019. A review of the impact of those impairments on the carrying value of the investments held by BP International Limited, and the recognition of any resulting impairment charges, will be included in the financial statements for the year ended 31 December 2020.

On 29 June 2020 BP announced that it has agreed to sell its global petrochemicals business to INEOS for a total consideration of \$5 billion, subject to customary adjustments. The sale agreement includes the whole of BP's aromatic and acetyls businesses, including assets, technology and licences, as well as related assets. Subject to regulatory and other approvals, the transaction is expected to complete by the end of 2020. Certain of the investments held by the company, their assets and intellectual property will be included within the sale. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 1 July 2020, the company approved an equity injection into its immediate subsidiary, BP Technology Ventures Limited by applying for \$110 million worth of ordinary shares of £1.00 each at par value.

The BP group set out a new strategy on 4 August 2020. Through this change, BP will continue its commitment to performing as it transforms - maintaining its focus on safety, operational excellence and financial discipline. Given the extent of changes in roles, responsibilities and reporting lines as the business is reconfigured to execute on the 'reinvent bp' strategy, management of change programmes are being put in place to ensure that risks associated with these changes are mitigated.

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

**NOTES TO THE FINANCIAL STATEMENTS**

The immediate parent undertaking is BP p.l.c., 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.

**30. Related undertakings**

In accordance with Section 409 of the Companies Act 2006, disclosed below is a full list of related undertakings in which the company holds an interest of 20% or greater, along with the country of incorporation and the percentage of share capital owned as at 31 December 2019.

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Abu Dhabi Marine Areas Limited	33	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Advance Petroleum Holdings Pty Ltd	23	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Advance Petroleum Pty Ltd	23	Rooms 522-524, 3rd Floor, Salisbury House, London Wall, London, EC2M 5QQ, United Kingdom	Indirect
Advanced Biocatalytics Corporation	24	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Air Refuel Pty Ltd	23	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Aker BP ASA	30	18010 Skypark Circle, #130, Irvine CA 92614, United States	Indirect
Allgreen Pty Ltd	23	398 Tingira Street, Pinkenba QLD 4008, Australia	Indirect
Alyssum Group Ltd	26	Oksenoyveien 10, 1366 Lysaker, Norway	Indirect
Amoco (Fiddich) Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Amoco (U.K.) Exploration Company, LLC	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Amoco U.K. Petroleum Limited	100	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States	Indirect
Apollo Geração de Energia Ltda.	50	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Aragonesa de Gestión de Energías Alternativas, SL	50	1209 Orange Street, Wilmington DE 19801, United States	Indirect
ARCO British Limited, LLC	100	1209 Orange Street, Wilmington DE 19801, United States	Indirect
Atlantic 2/3 Holdings LLC	43	RL&F Service Corp., 920 North King Street, 2nd Floor, Wilmington DE 19801, United States	Indirect
Atlantic 2/3 UK Holdings Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited	43	Princes Court, Cor. Pembroke & Keate Street, Port-of-Spain, Trinidad and Tobago	Indirect
Aviation Fuel Services Limited	25	Calshot Way Central Area, Heathrow Airport, Hounslow, Middlesex, TW6 1PY, United Kingdom	Direct
Axion Comercializacion De Combustibles Y Lubricantes S.A.	50	Luis A de Herrera 1248, Torre II, Piso 22 (Edificio World Trade Center), Montevideo, Uruguay	Indirect
Axion Energy Argentina S.A.	50	Carlos María Della Paolera 265, Piso 22, Ciudad Autónoma de Buenos Aires, Argentina	Indirect
Axion Energy Holding S.L.	50	Arbea Campus Empresarial, Edificio 1. Ctra de Fuencarral a Alcobendas, M603, KM 3,8 28108 Alcobendas, Madrid, Spain	Indirect
Axion Energy Paraguay S.R.L.	50	Av. España 1369 esquina San Rafael, Asunción, Paraguay	Indirect
Axuy Energy Holdings S.R.L.	50	Avenida Luis Alberto de Herrera 1248, Oficina 1901, Montevideo, Uruguay	Indirect
Axuy Energy Investments S.R.L.	50	Avenida Luis Alberto de Herrera 1248, Oficina 1901, Montevideo, Uruguay	Indirect
Azerbaijan Gas Supply Company Limited	23	Maples & Calder, P.O. Box 309, Ugland House, 113 South Church Street, George Town, Grand Cayman, Cayman Islands	Indirect
Azerbaijan International Operating Company	30	190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	Indirect
B P Exploration Company Limited	100	Atraque Punta Lucero, Explanada Punta Ceballos s/n, Zierbena (Vizcaya), Spain	Direct
Bahia de Bizkaia Electricidad, S.L.	75	Colonia 810, Oficina 403, Montevideo, Uruguay	Indirect
Baplor S.A.	50	Calle 14, No 781, Piso 2, Oficina 3, Ciudad de La Plata, Provincia de Buenos Aires, Argentina	Indirect
Barranca Sur Minera S.A.	50	Northgate House, 2nd Floor, Upper Borough Walls, Bath, England, BA1 1RG, United Kingdom	Indirect
Blue Marble Holdings Limited	24	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Blue Ocean Seismic Services Limited	53	23rd Fl. Rajanakarn Bldg, 3 South Sathon Road, Yannawa South Sathon, Bangkok 10120, Thailand	Indirect
BP - Castrol (Thailand) Limited	23	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP (Abu Dhabi) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP (GTA Mauritania) Finance Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP (GTA Senegal) Finance Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
BP Absheron Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Africa Oil Limited	100	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Indirect
BP Alternative Energy Holdings Limited	100	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Direct
BP Alternative Energy Investments Limited	100	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States	Direct
BP Alternative Energy Trinidad and Tobago Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Amoco Exploration (Faroes) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Amoco Exploration (In Amenas) Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
BP Andaman II Ltd	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
BP Angola (Block 18) B.V.	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
BP Argentina Holdings LLC	100	Level 17, 717 Bourke Street, Docklands VIC 3008, Australia	Indirect
BP Aromatics Holdings Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
BP Aromatics Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Australia Employee Share Plan Proprietary Limited	23	Rodovia GO 410, km 51 à esquerda, Fazenda Canadá, s/n, Zona Rural, Edéia, Goiás, 75940-000, Brazil	Indirect
BP Australia Group Pty Ltd	23	Avenida das Américas 3434, Bloco 7, Sala 301 a 308 (parte), Barra da Tijuca, Rio de Janeiro, RJ, 22640-102, Brazil	Indirect
BP Australia Nominees Proprietary Limited	23	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States	Indirect
BP Australia Pty Ltd	23	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
BP Australia Shipping Pty Ltd	23	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Australia Swaps Management Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Brasil Ltda.	99	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Brazil Tracking L.L.C.	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
BP Bulwer Island Pty Ltd	23	55 Baker Street, London, W1U 7EU, United Kingdom	Indirect
BP Capital Markets p.l.c.	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Chemicals (Korea) Limited	100	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Indirect
BP Chemicals Investments Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Chemicals Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP CIV Pty Ltd	23	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Commodities Trading Limited	100	Level 8, 250 St Georges Terrace, Perth WA 6000, Australia	Indirect
BP Commodity Supply B.V.	100	P.O.Box 20302/211, 20302, Oman	Indirect
BP Containment Response Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Corporate Holdings Limited	100	Degirmen yolu cad. No:28 , Asia OfisPark K:3 İcerenkoy-Atasehir, Istanbul, 34752, Turkey	Direct
BP D230 Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Developments Australia Pty. Ltd.	23	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Indirect
BP Dhofar LLC	49	7 Straits View #26-01, Marina One East Tower, Singapore, 018936, Singapore	Direct
BP Dogal Gaz Ticaret Anonim Sirketi	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP East Kalimantan CBM Limited	100	Avenida das Américas, no. 3434, Salas 301 a 308, Barra da Tijuca, Rio de Janeiro, RJ, 22640-102, Brazil	Indirect
BP Egypt West Mediterranean (Block B) B.V.	61	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Energy Asia Pte. Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Energy Colombia Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Energy do Brasil Ltda.	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Energy Solutions B.V.	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
BP Exploration (Absheron) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Algeria) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Alpha) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Angola) Limited	100	PricewaterhouseCoopers (Bahamas) Limited, Providence House, East Hill Street, P.O. Box N-3910, Nassau, Bahamas	Indirect
BP Exploration (Azerbaijan) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Canada) Limited	100	55 Baker Street, London, W1U 7EU, United Kingdom	Indirect
BP Exploration (Caspian Sea) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (D230) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Delta) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (El Djazair) Limited	60	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Epsilon) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Gambia) Limited	100	1, Oyinka Abayomi Drive, Ikoyi, Lagos, Nigeria	Indirect
BP Exploration (Greenland) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Madagascar) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Morocco) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Namibia) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Nigeria Finance) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Nigeria) Limited	100	55 Baker Street, London, W1U 7EU, United Kingdom	Indirect
BP Exploration (Psi) Limited	100	7 Straits View #26-01, Marina One East Tower, Singapore, 018936, Singapore	Indirect



**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
BP Exploration (Shafag-Asiman) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Shah Deniz) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (South Atlantic) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (STP) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration (Xazar) Pte. Ltd.	100	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Indirect
BP Exploration Angola (Kwanza Benguela) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Argentina Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Beta Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration China Limited	100	Av. Santa Fe No. 505 Piso 10, Col. Cruz Manca Santa Fe, Deleg. Cuajimalpa C.P., 05349 México D.F., Mexico	Indirect
BP Exploration Company (Middle East) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Indonesia Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Libya Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Mexico Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Mexico, S.A. De C.V.	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
BP Exploration North Africa Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Operating Company Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Exploration Orinoco Limited	100	Number 12, Aviation Road, Una Home 3rd Floor, Airport City, Accra, Greater Accra, PMB CT 42, Ghana	Indirect
BP Exploration Peru Limited	100	35, Ikoroduroad, Lagos, Nigeria	Indirect
BP Express Shopping Limited	100	Campus Saint Christophe, Bâtiment Galilée 3, 10 Avenue de l'Entreprise, 95863, Cergy Saint Christophe, Cergy Pontoise, France	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
BP Finance Australia Pty Ltd	23	39/77-78 Moo 2 Rama II Road, Tambon Bangkrachao, Amphur Muang, Samutsakorn 74000, Thailand	Indirect
BP Finance p.l.c.	100	39/77-78 Moo 2 Rama II Road, Tambon Bangkrachao, Amphur Muang, Samutsakorn 74000, Thailand	Direct
BP Gas & Power Investments Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Gas Marketing Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Ghana Limited	100	Amocolaan 2 2440 Geel , Belgium	Indirect
BP Global West Africa Limited	96	55 Baker Street, London, W1U 7EU, United Kingdom	Indirect
BP High Density Polyethylene - France	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Holdings (Thailand) Limited	81	C/- Conyers Corporate Services (Bermuda) Limited, PO Box HM 1022, 2 Church Street, Hamilton, HM 11, Bermuda	Direct
BP Indonesia Investment Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Iran Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Iraq N.V.	100	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Indirect
BP Kuwait Limited	100	39/77-78 Moo 2 Rama II Road, Tambon Bangkrachao, Amphur Muang, Samutsakorn 74000, Thailand	Indirect
BP LNG Shipping Limited	23	39/77-78 Moo 2 Rama II Road, Tambon Bangkrachao, Amphur Muang, Samutsakorn 74000, Thailand	Indirect
BP Marine Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Direct
BP Mauritania Investments Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Netherlands Upstream B.V.	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Oil (Thailand) Limited	90	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Oil Australia Pty Ltd	23	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Oil International Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
BP Oil Kent Refinery Limited (in liquidation)	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Oil Llandarcy Refinery Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Oil Logistics UK Limited	100	Av. Francisco de Miranda, con primera avenida de Los Palos , Grandes, Edif Cavendes, piso 9, ofi 903, Los Palos Grandes, Chacao / Caracas, Caracas / Miranda, 1060, Venezuela, Bolivarian Republic of	Indirect
BP Oil Senegal S.A.	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Oil UK Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Oil Venezuela Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Oil Yemen Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Direct
BP Pension Escrow Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Direct
BP Petroleo y Gas, S.A.	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Pipelines (TANAP) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Pipelines TAP Limited	100	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States	Indirect
BP Poseidon Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Refinery (Kwinana) Proprietary Limited	23	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Regional Australasia Holdings Pty Ltd	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Russian Investments Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Russian Ventures Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP SC Holdings LLC	100	7 Straits View #26-01, Marina One East Tower, Singapore, 018936, Singapore	Indirect
BP Scale Up Factory Limited	100	112 Robinson Road, #05-01, Robinson 112, 068902, Singapore	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
BP Senegal Investments Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
BP Services International Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Shafag-Asiman Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Shipping Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Singapore Pte. Limited	100	55 Baker Street, London, W1U 7EU, United Kingdom	Direct
BP Sinopec Marine Fuels Pte. Ltd.	50	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Solar Pty Ltd	23	Erin Court, Bishop's Court Hill, St. Michael, Barbados	Indirect
BP South America Holdings Ltd	100	Number 1, Rehoboth Place, Dade Street, North Labone Estates, Accra, Accra Metropolitan, Greater Accra, P. O. BOX CT3278, Ghana	Direct
BP Subsea Well Response (Brazil) Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Subsea Well Response Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP Technology Ventures Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
BP Train 2/3 Holding SRL	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP West Africa Supply Limited	50	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP West Aru I Limited	100	9# Huo Ju Road, Liu He District, Nanjing, Jiangsu Province, China	Indirect
BP West Aru II Limited	100	153 Neftchilar Avenue, Baku, AZ1010, Azerbaijan	Indirect
BP West Papua I Limited	100	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Indirect
BP West Papua III Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
BP World-Wide Technical Services Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP YPC Acetyls Company (Nanjing) Limited	50	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
BP-AIOC Exploration (TISA) LLC	66	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect

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<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
BP-Japan Oil Development Company Limited	50	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Indirect
Brian Jasper Nominees Pty Ltd	23	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Britannic Energy Trading Limited	100	5-7 Alexandra Road, Hemel Hempstead, Herts., HP2 5BS, England	Direct
Britannic Investments Iraq Limited	90	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Indirect
Britannic Marketing Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Britannic Strategies Limited	100	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Direct
Britannic Trading Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
British Pipeline Agency Limited	50	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Britoil Limited	100	Avenida das Americas, nº 3434, bloco 07, salas 301 a 308, Parte, Barra da Tijuca, Rio de Janeiro, Rio de Janeiro, 022.640-102, Brazil	Indirect
Burmah Castrol Australia Pty Ltd	23	Avenida Tamboré, 448, Barueri, Sao Paulo, Brazil	Indirect
BXL Plastics Limited	100	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Castrol Australia Pty. Limited	23	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Castrol Brasil Ltda.	55	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Castrol Servicos Ltda.	55	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Centrel Pty Ltd	23	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Clarisse Holdings Pty Ltd	23	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Compatible Opportunity, Lda	50	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Compatibleglobe, Lda	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Dapsun - Investimentos e Consultoria, LDA.	25	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Dermody Developments Pty Ltd	23	Av. Paseo de la Reforma 505 piso 32, Colonia Cuauhtémoc, Delegación Cuauhtémoc (06500), CDMX, Mexico	Indirect
Dermody Holdings Pty Ltd	23	2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Indirect
Dermody Investments Pty Ltd	23	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Dermody Petroleum Pty. Ltd.	23	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect

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<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Elite Customer Solutions Pty Ltd	23	Leandro N Alem 1180, Buenos Aires, Argentina	Indirect
EMSEP S.A. de C.V.	50	435 Devon Park Drive, Suite 700, Wayne, Pennsylvania, 19087	Indirect
Energías Renovables de Ixion, SL	50	2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Indirect
Energy Emerging Investments, LLC	50	121A Thoday Street, Cambridge, Cambridgeshire, CB1 3AT, United Kingdom	Indirect
EverSource Advisors Private Ltd	25	5th Floor, Condor House, 10 St Paul's Churchyard, London, EC4M 8AL, United Kingdom	Indirect
EverSource Management Holdings	25	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Exploration (Luderitz Basin) Limited	100	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Field Services Enterprise S.A.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Finite Carbon Corporation	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Finite Resources, Inc.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Fly Victor Ltd	26	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Foreseer Ltd	25	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Fotech Group Limited	22	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Fotech Solutions (Canada) Ltd.	22	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Fotech USA, LLC	22	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Free Power for Schools 13 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Free Power for Schools 14 Limited	50	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Free Power for Schools 15 Limited	50	Chertsey Road, Sunbury-on-Thames, TW16 7BP, United Kingdom	Indirect
Free Power for Schools 17 Limited	50	Colonia 810, Oficina 403, Montevideo, Uruguay	Indirect
Free Power for Schools 4 Limited	50	190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	Indirect
Free Power for Schools 5 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Free Power for Schools 6 Limited	50	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Free Power for Schools 7 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Freetricity Central June Limited	50	Kelvin Building, Bramah Avenue, East Kilbride, Glasgow, Scotland, G75 0RD, United Kingdom	Indirect

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<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Fuerzas Energéticas del Sur de Europa IV, SL	50	Torre A, piso 4, oficina 402, Calzada Legaria 549, Colonia 10 de Abril, Delegación Miguel Hidalgo, Ciudad de Mexico, C. P. 11250, Mexico	Indirect
Fuerzas Energéticas del Sur de Europa XIX, SL	50	Campus Empresarial Arbea - Edificio No 1, Carretera Fuencarral a Alcobendas (M-603), km 3.8, Alcobendas, Madrid, Spain	Indirect
FWK (2017) Limited (In Liquidation)	100	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
FWK Holdings (2017) Ltd (In Liquidation)	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Gemalsur S.A.	50	Unit Nos.71 & 737th Floor, Maker Maxity, 2nd North Avenue, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India	Indirect
Georgian Pipeline Company	30	Level 17, 717 Bourke Street, Docklands VIC 3008, Australia	Indirect
Grampian Aviation Fuelling Services Limited	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Direct
Green Growth Feeder Fund Pte. Ltd	25	Cogency Global Inc., 850 New Burton road, Suite 201, Dover, Delaware, 19904, USA	Indirect
Grid Edge Limited	60	The Albany, South Esplanade, St Peter Port, GY1 4NF, Guernsey	Indirect
Heliex Power Limited	32	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Hokchi Energy S.A. de C.V.	50	C/O Banks Cooper Associates, 21 Marina Court, Hull, England, HU1 1TJ, United Kingdom	Indirect
Hokchi Iberica S.L.	50	6th Floor, 65 Gresham Street, London, England and Wales, EC2V 7NQ, United Kingdom	Indirect
Implantación de Fuentes Energéticas de Origen Renovable, SL	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
India Gas Solutions Private Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Direct
International Bunker Supplies Pty Ltd	23	Level 19, 181 William Street, Melbourne, VIC 3000, Australia	Indirect
Iraq Petroleum Company Limited	100	33 Holborn, Level 7, London, England, EC1N 2HU, United Kingdom	Indirect
Johnson Corner Solar I, LLC	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Jupiter Insurance Limited	100	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Kingston Research Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Asset Holdings (Australia) Limited	50	Level 19, 181 William Street, Melbourne, VIC 3000, Australia	Indirect
Lightsource Asset Holdings (Europe) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect

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<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource Asset Holdings (Spain) Limited	50	7th Floor, Jie Tai Plaza, 218 - 222 Zhong Shan Liu Road, Guangzhou, China	Indirect
Lightsource Asset Holdings (USA) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Asset Holdings (Vendimia I) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Asset Holdings (Vendimia II) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Asset Holdings 1 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Asset Holdings 2 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Asset Holdings 3 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Asset Management Australia Pty Ltd	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Australia FinCo Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Australia SPV 1 Pty Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Bodegas Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Bom Lugar IV Geração de Energia Ltda	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Bom Lugar IX Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Bom Lugar V Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Bom Lugar VI Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Bom Lugar VII Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Bom Lugar VIII Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource BP Hassan Allam Developments for Renewable Energy S.A.E	25	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource BP Hassan Allam Holdings B.V.	25	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource BP Renewable Energy Investments Limited	50	Trinity House, Charleston Road, Ranelagh, Dublin 6, D06C8X4, Ireland	Indirect
Lightsource Brasil Energia Renovável Ltda	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Brasil Energia Renovável Participações S.A.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Brazil Holdings 1 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Brazil Holdings 2 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Commercial Rooftops Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect



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<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource Construction Management Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Development Services Australia Pty Ltd	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Development Services Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Egypt Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Europe Asset Management, SL	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Finance 55 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Finca Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Grace 1 Limited	50	Level 19, 181 William Street, Melbourne, VIC 3000, Australia	Indirect
Lightsource Grace 2 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Grace 3 Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, BT1 6JH, United Kingdom	Indirect
Lightsource Holdings 1 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Holdings 2 Limited	50	Cogency Global Inc., 850 New Burton Road, Suite 201, Dover, Delaware 19902, United States	Indirect
Lightsource Holdings 3 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Impact 1 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Impact 2 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource India Holdings (Mauritius) Limited	50	No.44/38, 1st Floor, Veerabhadran Street, Valluvarkottam, Nungambakkam, Chennai, 600034, India	Indirect
Lightsource India Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource India Investments (UK) Limited	50	Trinity House, Charleston Road, Ranelagh, Dublin 6, D06C8X4, Ireland	Indirect
Lightsource India Limited	25	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource India Maharashtra 1 Holdings Limited	50	Prins Bernhardplein 200, 1097JB, Amsterdam, Netherlands	Indirect
Lightsource India Maharashtra 1 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Labs 1 Limited	50	Cogency Global Inc., 850 New Burton Road, Suite 201, Dover, Delaware 19902, United States	Indirect
Lightsource Labs Australia Pty Limited	50	Cogency Global Inc., 850 New Burton Road, Suite 201, Dover, Delaware 19902, United States	Indirect

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<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource Labs Holdings Limited	50	Cogency Global Inc., 850 New Burton Road, Suite 201, Dover, Delaware 19902, United States	Indirect
Lightsource Labs Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Largescale Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, BT1 6JH, United Kingdom	Indirect
Lightsource Milagres I Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Milagres II Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Milagres III Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Milagres IV Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Milagres V Geração de Energia Ltda.	50	8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore	Indirect
Lightsource Operations 1 Limited	50	8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore	Indirect
Lightsource Operations Services Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy (Australia) Pty Ltd	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy (India) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy (NI) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Australia Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Development LLC	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Garnacha, S.L.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Iberia Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy India Assets Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy India Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy India Opco Private Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy India Projects Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Ireland Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Italy Development s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Italy Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Italy Holdings s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource Renewable Energy Italy SPV 1 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 10 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 2 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 3 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 4 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 5 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 6 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 7 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 8 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Italy SPV 9 s.r.l.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Netherlands Development B.V.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Netherlands Holdings B.V.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Netherlands Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy North America LLC	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy North America Management LLC	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy North America Operations LLC	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Portugal Holdings Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Spain Development, SL	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Spain Holdings, SL	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable Energy Spain SPV 1, SL	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Energy Trading, SL	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Renewable Global Development Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Renewable UK Development Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Residential Rooftops (PPA) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Residential Rooftops Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource Singapore Renewables Holdings Private Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Singapore Renewables Private Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Spain O&M, SL	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 100 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 101 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 108 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 112 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 114 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 115 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 116 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 118 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 126 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 127 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 128 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 130 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 133 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 138 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 140 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 142 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 145 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 149 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 151 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 152 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 154 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 155 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect

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**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource SPV 156 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 162 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 166 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 167 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 171 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 174 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 175 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 176 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 179 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 18 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 182 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 183 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 184 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 185 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 187 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 189 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 19 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 191 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 192 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 196 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 199 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 201 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 202 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 203 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 204 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 205 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource SPV 206 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 212 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 213 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 214 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 215 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 216 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 217 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 218 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 219 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 221 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 222 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 223 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 225 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 226 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 227 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 230 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 232 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 233 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 234 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 235 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 236 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 237 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 238 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 239 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 241 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 242 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect

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**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource SPV 243 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 244 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 245 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 246 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 247 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 248 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 249 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 25 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 250 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 251 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 252 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 253 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 254 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 255 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 258 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 259 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 261 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 262 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 263 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 264 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 265 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 266 (NI) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 267 (NI) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 268 (NI) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 269 (NI) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 270 (NI) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource SPV 271 (NI) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 272 (NI) Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 273 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 274 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 275 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 276 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 277 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 278 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 279 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 280 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 281 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 282 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 283 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 284 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 285 (NI) Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 286 Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 29 Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 35 Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 41 Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect



**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Lightsource SPV 47 Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 56 Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 60 Limited	50	Scottish Provident Building, 7 Donegall Square West, Belfast, Northern Ireland, BT1 6JH, United Kingdom	Indirect
Lightsource SPV 73 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 75 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 78 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 88 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 91 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource SPV 92 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource SPV 98 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Lightsource Trading Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Viking 1 Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lightsource Viking 2 Limited	50	629830 Yamalo-Nenetskiy Anatomy Region, city of Gubkinskiy, Russian Federation	Indirect
Limited Liability Company Yermak Neftegaz	49	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
LLC "Kharampurneftegaz"	49	2-2 Sangnam-ri, Chungryang-myun, Ulju-gun, Ulsan 689-863, Republic of Korea	Indirect
LOTTE BP Chemical Co., Ltd	51	815-816 International Trade Tower, Nehru Place, New Delhi, New Delhi, 110019, India	Indirect
LS Australia FinCo 1 Pty Limited	50	Bircham Dyson Bell, 50 Broadway, London, England, SW1H 0BL, United Kingdom	Indirect
LS Australia HoldCo 1 Pty Ltd	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Lytt Limited	100	Francisco Behr 20, Barrio Pueyrredon, Comodoro Rivadavia, Provincia del Chubut, Argentina	Indirect
Manchester Airport Storage and Hydrant Company Limited	25	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Direct
Manpetrol S.A.	50	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Minza Pty. Ltd.	23	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect

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<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
No. 1 Riverside Quay Proprietary Limited	23	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
OOO BP STL	100	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
OVERSEAS BRANCH - BP Aromatics Limited	100	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Pacroy (Thailand) Co., Ltd.	39	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
PAE E & P Bolivia Limited	50	4Palestine Road, 4th District, New Maadi, Cairo, Egypt	Indirect
PAE Oil & Gas Bolivia Ltda.	50	Novinskiy blvd.8, 17th floor, office 11, 121099, Moscow, Russian Federation	Indirect
Pan American Energy Chile Limitada	50	23rd Fl. Rajanakarn Bldg, 3 South Sathon Road, Yannawa Sathon, Bangkok 10120, Thailand	Indirect
Pan American Energy do Brasil Ltda.	50	Trinity Place Annex, Corner of Frederick & Shirley Streets, P.O. Box N-4805, Nassau, Bahamas	Indirect
Pan American Energy Group, S.L.	50	Cuarto anillo, Avda. Ovidio Barbery N° 4200, Edificio Torre , e/ Jaime Román y Victor Pinto, Equipetrol Norte, Santa Cruz de la Sierra, Bolivia	Indirect
Pan American Energy Holdings S.A.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Pan American Energy Iberica S.L.	50	Nueva de Lyon N° 145, piso 12, oficina 1203, Edificio Costa, Santiago de Chile, Chile	Indirect
Pan American Energy Investments Ltd.	50	Rua Manoel da Nóbrega n°1280, 10° andar, Sao Paulo, Sao Paulo, 04001-902, Brazil	Indirect
Pan American Energy Uruguay S.A.	50	Arbea Campus Empresarial, Edificio 1. Ctra de Fuencarral a Alcobendas, M603, KM 3,8 28108 Alcobendas, Madrid, Spain	Indirect
Pan American Energy, S.L.	50	Colonia 810, oficina 403, Montevideo, Uruguay	Indirect
Pan American Fuegoína S.A.	50	Campus Empresarial Arbea - Edificio N° 1, Carretera Fuencarral a Alcobendas (M-603), Km 3,8., Alcobendas, Madrid, Spain	Indirect
Pan American Sur S.A.	50	Palm Grove House, P.O. Box 438, Road Town, Tortola, Virgin Islands, British	Indirect
Parque Eolico Del Sur S.A.	28	Colonia 810, oficina 403, Montevideo, Uruguay	Indirect
Pentland Aviation Fuelling Services Limited	25	Arbea Campus Empresarial, Edificio 1. Ctra de Fuencarral a Alcobendas, M603, KM 3,8 28108 Alcobendas, Madrid, Spain	Direct
Phoenix Petroleum Services, Limited Liability Company	100	O'Higgins N° 194, Río Grande, Argentina	Indirect
Porteiras Geração de Energia Ltda.	50	O'Higgins N° 194, Río Grande, Argentina	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
PT Petro Storindo Energi	30	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States	Indirect
R&B Technology Holding CO., LTD	59	6th Floor (c/o Q8 Aviation), Dukes Court, Duke Street, Woking, GU21 5BH, Surrey	Indirect
Rahamat Petroleum Company (PETRORAHAMAT)	50	Baghdad International Airport, Al-Burhan Commercial Complex, First floor, Baghdad, Iraq	Indirect
Routex B.V.	25	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Rusdene GSS Limited (In Liquidation)	100	Bakrie Tower 17th Floor, Rasuna Epicentrum Complex Jl. H.R Rasuna Said, Jakarta, 12940, Indonesia	Indirect
S&JD Robertson North Air Limited	49	70/72 Road 200, Maadi, Cairo, Egypt	Direct
Shell Mex and B.P. Limited	40	Strawinskylaan 1725, 1077XX Amsterdam, Netherlands	Indirect
SKA Energy Holdings Limited	50	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
SM Realisations Limited (In Liquidation)	40	1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB	Indirect
SOFAST Limited	63	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Solar Photovoltaic (SPV2) Limited	50	Shell Centre, London, SE1 7NA, England	Indirect
Solar Photovoltaic (SPV3) Limited	50	LOB 16, Suite #309, Jebel Ali Free Zone, Dubai, PO BOX 262794, United Arab Emirates	Indirect
Stonewall Resources Ltd.	50	Shell International Petroleum, Co Ltd, Shell Centre, 8 York Road, London, SE1 7NA, United Kingdom	Indirect
Stryde Limited	100	23rd Fl. Rajanakarn Bldg, 3 South Sathon Road, Yannawa South Sathon, Bangkok 10120, Thailand	Indirect
Taradadis Pty. Ltd.	23	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
Terminal CP S.A.U.	50	7th Floor, 33 Holborn, London, EC1N 2HT, United Kingdom	Indirect
The Consolidated Petroleum Company Limited	50	Palm Grove House, P.O. Box 438, Road Town, Tortola, Virgin Islands, British	Direct
The Consolidated Petroleum Supply Company Limited	45	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
TISA Education Complex LLC	66	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Tricoya Ventures UK Limited	37	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Ubiworx Systems Designated Activity Company	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
United Kingdom Oil Pipelines Limited	22	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Related undertaking</b>	<b>Holding %</b>	<b>Registered address</b>	<b>Direct / indirect</b>
Vale do Cochrá Geração de Energia Ltda.	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Vendimia Grid, AIE	25	Shell Centre, London, SE1 7NA, England	Indirect
Verde Grande Geração de Energia Ltda.	50	Shell Centre, London, SE1 7NA, England	Indirect
VIC CBM Limited	50	Town Hall, Lerwick, Shetland, ZE1 0HB	Indirect
Viceroy Investments Limited	100	153 Neftchilar Avenue, Baku, AZ1010, Azerbaijan	Direct
Vientos Ombu III S.A.	25	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Vientos Patagonicos Chubut Norte III S.A.	25	Lindenstrasse 2, 6340 Baar, Switzerland	Indirect
Vientos Sudamericanos Chubut Norte IV S.A.	25	Brettenham House, 19 Lancaster Place, London, England, WC2E 7EN, United Kingdom	Indirect
Virginia Indonesia Co. CBM Limited	50	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Walton-Gatwick Pipeline Company Limited	42	7th Floor, 33 Holborn, London, EC1N 2HU, United Kingdom	Indirect
Water Way Trading and Petroleum Services LLC	90	5-7 Alexandra Road, Hemel Hempstead, Hertfordshire, HP2 5BS, United Kingdom	Indirect
West Kimberley Fuels Pty Ltd	23	Eni House, 10 Ebury Bridge Road, London, SW1W 8PZ, United Kingdom	Indirect
West London Pipeline and Storage Limited	31	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Indirect
Wiriagar Overseas Ltd	100	Eni House, 10 Ebury Bridge Road, London, SW1W 8PZ, United Kingdom	Indirect
Yangtze River Acetyls Co., Ltd	51	5-7 Alexandra Road, Hemel Hempstead, Herts., HP2 5BS, England	Indirect
Your Power No. 1 Limited	50	Hay Al Wihda, Q904, Alley 68, H32, Korodha, Baghdad, Iraq	Indirect
Your Power No. 10 Limited	50	Level 17, 717 Bourke Street, Docklands VIC, Australia	Indirect
Your Power No. 19 Limited	50	5-7 Alexandra Road, Hemel Hempstead, Herts., HP2 5BS, England	Indirect
Your Power No. 2 Limited	50	4Palestine Road, 4th District, New Maadi, Cairo, Egypt	Indirect
Your Power No. 3 Limited	50	Woodwater House, Pynes Hill, Exeter, England, EX2 5WR	Indirect
Your Power No. 8 Limited	50	Estera Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay 1, PO Box 3190, Road Town, Tortola, VG1110, Virgin Islands, British	Indirect
Zonneweide Westdorperven B.V.	50	97 Weijiang Road, Changshou District, Chongqing, China	Indirect
Zubie, Inc.	20	Kosmodamianskaya nab, 52/3, 115035, Moscow, Russian Federation	Indirect