

BP TECHNOLOGY VENTURES LIMITED

(Registered No.01553681)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

Board of Directors: D G P Eyton
S D Cook
A M Floyer-Lea

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

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

DIRECTORS' REPORT**Directors**

The present directors are above.

D G P Eyton and D I Gilmour served as directors throughout the financial year. Changes since 1 January 2019 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
J S Umehag	—	11 January 2019
A M Floyer-Lea	11 January 2019	—
D I Gilmour	—	1 July 2020
S D Cook	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

The company has not declared any dividends during the year (2018 \$Nil). The directors do not propose the payment of a dividend.

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 1 July 2020, \$110,000,000 worth of ordinary shares of £1.00 each were allotted to the parent company at par value. The directors also approved injection of additional equity into BP Scale Up Factory Limited, a wholly-owned subsidiary company, by way of subscription for \$43,000,000 worth of shares of \$1.00 each at par value.



DIRECTORS' REPORT

Going concern

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

Since 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.

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

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

In assessing the prospects of BP Technology Ventures 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 consider that, despite the uncertainties deriving from the current economic environment and the loss reported for the year, 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.

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

Financial risk management

The company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risks relating to foreign currency exchange rates and interest rates. Further details on these financial risks are included within Note 29 of the BP group Annual Report and Form 20-F for the year ended 31 December 2019.

DIRECTORS' REPORT

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

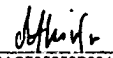
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- 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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For and on behalf of
Sunbury Secretaries Limited
Company Secretary

22 September 2020

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

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

BP TECHNOLOGY VENTURES 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 TECHNOLOGY VENTURES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BP Technology Ventures 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 loss 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 19.

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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

David Holtam

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David Holtam FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP, Statutory Auditor

London, United Kingdom

22 September 2020

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2019****BP TECHNOLOGY VENTURES LIMITED**

		2019	2018
	Note	\$000	\$000
Administrative expenses		(36,798)	(25,101)
Other operating income		8,923	89,473
Gain / (loss) on disposal of fixed assets investments		126	(1,072)
Impairment of fixed asset investments	11	(44,686)	(6,647)
Operating (loss) / profit	3	(72,435)	56,653
Interest receivable and similar income	5	7,068	5,331
Interest payable and similar expenses	6	—	(1,029)
(Loss) / profit before taxation		(65,367)	60,955
Tax on (loss) / profit	7	—	—
(Loss) / profit for the year		(65,367)	60,955

The loss of \$65,367,000 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**

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

BALANCE SHEET**AS AT 31 DECEMBER 2019****BP TECHNOLOGY VENTURES LIMITED****(Registered No.01553681)**

	Note	2019 \$000	2018 \$000
Fixed assets			
Intangible assets	9	—	—
Tangible assets	10	13	45
Investments	11	402,662	317,069
		<u>402,675</u>	<u>317,114</u>
Current assets			
Debtors – amounts falling due:			
within one year	12	132,659	290,167
after one year	12	32,327	29,931
		<u>164,986</u>	<u>320,098</u>
Creditors: amounts falling due within one year	13	<u>(20,816)</u>	<u>(25,000)</u>
Net current assets		<u>144,170</u>	<u>295,098</u>
NET ASSETS		<u><u>546,845</u></u>	<u><u>612,212</u></u>
Capital and reserves			
Called up share capital	14	1,058,138	1,058,138
Profit and loss account	15	(511,293)	(445,926)
TOTAL EQUITY		<u><u>546,845</u></u>	<u><u>612,212</u></u>

Authorized for issue on behalf of the Board

DocuSigned by:

Anna Floyer-Lea

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A M Floyer-Lea

Director

22 September 2020

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2019****BP TECHNOLOGY VENTURES LIMITED**

	Called up share capital (Note 14)	Profit and loss account (Note 15)	Total
	\$000	\$000	\$000
Balance at 1 January 2018	608,138	(506,881)	101,257
Profit for the year, representing total comprehensive income	—	60,955	60,955
Issue of share capital	450,000	—	450,000
Balance at 31 December 2018	<u>1,058,138</u>	<u>(445,926)</u>	<u>612,212</u>
Loss for the year, representing total comprehensive income	—	(65,367)	(65,367)
Balance at 31 December 2019	<u><u>1,058,138</u></u>	<u><u>(511,293)</u></u>	<u><u>546,845</u></u>

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2019****BP TECHNOLOGY VENTURES 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 Technology Ventures Limited for the year ended 31 December 2019 were approved by the board of directors on 21 September 2020 and the balance sheet was signed on the board's behalf by A M Floyer-Lea. BP Technology Ventures Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 01553681). The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

Principal activity

The main activity of the company is to evaluate and invest in business opportunities to support and complement the core business of the wider BP Group.

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, 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 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 19 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 IFRS 7 Financial Instruments: Disclosures
- (b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement
- (c) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements
- (d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of
 - (i) paragraph 79(a)(iv) of IAS 1
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets
- (e) the requirements of IAS 7 Statement of Cash Flows
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective
- (g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures

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

- (h) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- (i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c)-135(e) of IAS 36, Impairment of Assets

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 19.

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

Significant accounting policies: use of judgements, estimates and assumptions

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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

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.

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

For other investments in equity instruments, please see the policy for financial assets below.

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 judgement: interests in other entities

Judgement is required in assessing the level of control or influence over another entity in which the company holds an interest. Depending upon the facts and circumstances in each case, the company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the company control of a business are business combinations. If the company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then accounted for as an associate held at cost.

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.

For value in use calculations, future cash flows are adjusted for risks specific to the cash-generating unit and are discounted using a pre-tax discount rate. The pre-tax discount rate is based upon the cost of funding the group derived from an established model, adjusted to a pre-tax basis. Fair value less costs of disposal calculations use the post-tax discount rate. The discount rates applied in impairment tests are reassessed each year.

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 four years.

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

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 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.

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:

Plant and machinery 10 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.

NOTES TO THE FINANCIAL STATEMENTS

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

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 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.

Financial assets

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

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

Financial assets measured at amortized cost

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

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

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

Significant judgement: investments, in equity instruments

In some cases the fair values of investments are estimated using internal models due to the absence of quoted prices or other observable, market-corroborated data. The majority of these investments are valued using models with inputs that include recent share price for each of the different investments that are built up from available active market pricing data modelled using the maximum available external information. Additionally, where limited data exists for certain investments, prices are determined using historical and long-term pricing relationships or relative valuation methods for calculating the exit value of the investments.

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 amortized cost

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

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

Offsetting of financial assets and liabilities

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

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.
- 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.

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

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

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

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

Interest income

Interest income is recognized as the interest accrues.

Finance costs

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

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.

The adoption of IFRS 16 has had no material impact on the company's financial statements.

3. Operating (loss) / profit

This is stated after charging / (crediting):

	2019	2018
	\$000	\$000
Net foreign exchange losses*	251	298
Depreciation of tangible assets*	32	67
Impairment of investments	44,686	6,647
(Gain) / loss on disposal of fixed assets investments	(126)	1,072
Fair value gain on equity investments	(3,959)	(80,537)
Gain on intercompany transfer of investments	(4,964)	(8,936)
Salaries, wages and other benefits*	6,971	6,763
Consulting and management fees*	7,080	2,480
Marketing and communication expense*	14,193	15,216

* Amount is included in Administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS**4. Auditor's remuneration**

	2019	2018
	\$000	\$000
Fees for the audit of the company	45	45

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

The fees were borne by another group company.

5. Interest receivable and similar income

	2019	2018
	\$000	\$000
Interest income from amounts owed by group undertakings	4,673	3,113
Interest income from financial assets measured at fair value through profit or loss	2,395	2,218
Total interest receivable and similar income	7,068	5,331

6. Interest payable and similar expenses

	2019	2018
	\$000	\$000
Loans from group undertakings	—	1,029

7. Taxation

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

(a) Reconciliation of the effective tax rate

The tax assessed on the loss 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
	\$000	\$000
(Loss) / profit before taxation	(65,367)	60,955
Tax charge / (credit)	—	—
Effective tax rate	—%	—%

	2019	2018
	%	%
UK statutory corporation tax rate:	19	19

Increase / (decrease) resulting from:

Non-taxable income	(11)	(25)
Free group relief	(8)	6
Effective tax rate	—	—

NOTES TO THE FINANCIAL STATEMENTS**7. Taxation****(a) Reconciliation of the effective tax rate (continued)****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

Deferred tax has not been recognised on deductible temporary differences of \$9.5 million (2018 \$8.2 million) with no fixed expiry date on the basis that they are not expected to give rise to any future tax benefit.

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

A number of directors are senior executives of the BP p.l.c. Group and received no remuneration for qualifying services to this company or its subsidiary undertakings.

The following details relate to the directors who received remuneration for their qualifying services to the company and so are in scope for this disclosure.

The total remuneration for these qualifying directors for their period of directorship to the company amounted to \$311,000 (2018 \$475,000). None of these serving directors received non-cash benefits in relation to qualifying services.

One of these qualifying directors was active member of the defined benefit section of the BP Pension Fund at 31 December 2019 (2018 Two).

One of the qualifying directors exercised share options over BP p.l.c. shares during the year (2018 One).

Of these qualifying directors, the highest paid director received \$311,000 (2018 \$325,000). The accrued pension of the highest paid director at 31 December 2019 was \$54,800 (2018 \$56,000). The highest paid director received no contributions to a money purchase pension scheme during the year.

(b) Employee costs

The company had no employees during the year (2018 None).

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

	Other intangibles
Cost	<u>\$000</u>
At 1 January 2019	<u>542</u>
At 31 December 2019	<u><u>542</u></u>
Amortization	
At 1 January 2019	<u>542</u>
At 31 December 2019	<u><u>542</u></u>
Net book value	
At 31 December 2019	<u><u>—</u></u>
At 31 December 2018	<u><u>—</u></u>
Principal rate of amortisation	25%

10. Tangible assets

	Plant & machinery
Cost	<u>\$000</u>
At 1 January 2019	<u>874</u>
At 31 December 2019	<u><u>874</u></u>
Depreciation	
At 1 January 2019	<u>829</u>
Charge for the year	<u>32</u>
At 31 December 2019	<u><u>861</u></u>
Net book value	
At 31 December 2019	<u><u>13</u></u>
At 31 December 2018	<u><u>45</u></u>
Principal rate of depreciation	10%

NOTES TO THE FINANCIAL STATEMENTS**11. Investments**

	Investment in subsidiaries	Investment in associates	Other investments	Total
Cost	\$000	\$000	\$000	\$000
At 1 January 2018	8,908	57,551	92,966	159,425
Additions	10,000	12,404	100,111	122,515
Disposals	(8,908)	(19,211)	(5,102)	(33,221)
Transfers	—	37,032	(37,032)	—
Fair value gain	—	—	80,537	80,537
At 31 December 2018	10,000	87,776	231,480	329,256
At 1 January 2019	10,000	87,776	231,480	329,256
Additions	—	18,713	114,887	133,600
Disposals	—	(6,567)	(713)	(7,280)
Transfers	—	(18,531)	12,990	(5,541)
Fair value gain	—	—	3,959	3,959
At 31 December 2019	10,000	81,391	362,603	453,994
Impairment losses				
At 1 January 2018	6,994	13,580	—	20,574
Charge for the year	—	6,647	—	6,647
Disposals	(6,994)	(8,040)	—	(15,034)
At 31 December 2018	—	12,187	—	12,187
At 1 January 2019	—	12,187	—	12,187
Charge for the year	—	44,686	—	44,686
Transfers	—	(5,541)	—	(5,541)
At 31 December 2019	—	51,332	—	51,332
Net book amount				
At 31 December 2019	10,000	30,059	362,603	402,662
At 31 December 2018	10,000	75,589	231,480	317,069

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

The investments in the subsidiary and associated undertakings 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.

NOTES TO THE FINANCIAL STATEMENTS**11. Investments (continued)****Subsidiary undertakings**

Company name	Class of share held	%	Registered address	Principal activity
BP Scale Up Factory Limited	Ordinary shares	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom.	Investment holding

Associated undertakings

Company name	Class of share held	%	Registered address	Principal activity
Advanced Biocatalytics Corporation	Preference Series III	24.50	18010 Skypark Circle, #130, Irvine CA 92614, United States.	Advanced Biocatalytics Corporation combines heat shock proteins with various surfactants resulting in protein - surfactant complexes that have been tested and used in a wide variety of industrial processes.
Alyssum Group Limited	Common shares & Preference Series B	26.23	60 Sloane Avenue, London, SW3 3XB, United Kingdom.	Alyssum has developed an industry leading transaction and CRM (customer relationship management) platform for end consumers to book jet charters.
Belmont Technology Inc.	Preference Series A	26.12	1209 Orange Street, Wilmington, New Castle County, Delaware, 19801.	Belmont is an early mover in developing artificial intelligence based platform targeted for geoscience.
Blue Ocean Seismic Services Limited	Preference Series A	23.30	12-14 Carlton Place, Southampton, England SO15 2EA, United Kingdom.	Blue Ocean Seismic Services (BOSS) deploys ocean-bottom node (OBN) seismic on the seabed using small robotic autonomous underwater vehicles which significantly reduce seismic acquisition costs and operational cycle-time.
Finite Resources Inc.	Common shares	50.00	2711 Centerville Road, Suite 400, Wilmington DE 19808, United States.	Finite Resources Inc has expertise in developing forest carbon inventories, protocol selection, project design, verification management and the monetisation of carbon offsets.
Heliex Power Limited	Preference Series A & C	31.00	Kelvin Building, Bramah Avenue, East Kilbride, Glasgow, Scotland, G75 ORD, United Kingdom.	Heliex Power Limited undertakes the design, development, manufacture, assembly, sales and support of standard and special applications expander systems operating in single or multiple installations.
Zubie Inc.	Common shares	20.30	160 Greentree Drive, Suite 101, Dover, County of Kent DE 19904, United States.	Zubie develops hardware and software to monitor vehicle data such as speed, hard braking events, vehicle collisions, maintenance diagnostics and location for large fleet management companies.

NOTES TO THE FINANCIAL STATEMENTS**11. Investments (continued)****Significant holdings in undertakings other than subsidiary 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 not already disclosed above.

Related undertaking	Holding %	Registered address	Direct / indirect
Finite Carbon Corporation	50.00	435 Devon Park Drive, Suite 700, Wayne, Pennsylvania, 19087 Avenue NE, Calgary AB, Canada.	Indirect
Foreseer Ltd	25.00	121A Thoday Street, Cambridge, Cambridgeshire, CB1 3AT, United Kingdom.	Direct
Fly Victor Limited	26.20	60 Sloane Avenue, London, SW3 3XB, United Kingdom	Indirect
Fotech Group Limited	100.00	5th Floor, Condor House, 10 St Paul's Churchyard, London, EC4M 8AL, United Kingdom	Indirect
Lytt Limited	100.00	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom.	Indirect
Stryde Limited	100.00	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom.	Indirect

12. Debtors

Amounts falling due within one year:

	<u>2019</u>	<u>2018</u>
	<u>\$000</u>	<u>\$000</u>
Amounts owed from parent undertakings	79,227	281,713
Amounts owed from fellow subsidiaries	47,725	150
Other debtors	5,707	5,534
Prepayments and accrued income	—	2,770
	<u>132,659</u>	<u>290,167</u>

Amounts falling due after one year:

Other debtors	<u>32,327</u>	<u>29,931</u>
Total debtors	<u>164,986</u>	<u>320,098</u>

The amounts owed from parent undertakings comprise a variable rate funding account of \$79.2 million (2018 \$281.7 million), which is repayable on demand. Interest is accrued on a monthly basis based on USD daily overnight LIBOR. The interest rate at year end was LIBOR minus 11 basis points (2018 LIBOR minus 11 basis points).

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

Amounts falling due within one year:

	2019	2018
	\$000	\$000
Trade creditors	1,043	2,172
Amounts owed to parent undertakings	1,486	8,036
Amounts owed to fellow subsidiaries	6,546	3,498
Other creditors	315	296
Accruals	11,426	10,998
	<u>20,816</u>	<u>25,000</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.

14. Called up share capital

	2019	2018
	\$000	\$000
Issued and fully paid:		
744,409,649 ordinary shares of £1 each for a total nominal value of £744,409,649	<u>1,058,138</u>	<u>1,058,138</u>

15. Reserves*Called up share capital*

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

Profit and loss account

The balance held on this reserve is the accumulated losses of the company.

16. Capital commitment

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 \$84.9 million (2018 \$91.6 million).

The company has signed an agreement in 2016 with OGCI Climate Investments LLP (the "CI") that it is committed to invest up to \$100 million over a 10 years period. If the company were to give notice to cancel, the minimum commitment liability would become payable. This comprises the first two years plus a further two years notice period (i.e. up to \$40 million) plus BP's share of the CI's future obligations.

17. Related party transactions

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

NOTES TO THE FINANCIAL STATEMENTS**18. 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. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

On 1 July 2020, \$110,000,000 worth of ordinary shares of £1.00 each were allotted to the parent company at par value. The directors also approved injection of additional equity into BP Scale Up Factory Limited, a wholly-owned subsidiary company, by way of subscription for \$43,000,000 worth of shares of \$1.00 each at par value.

19. Immediate and ultimate controlling parent undertaking

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