

BP CHEMICALS (KOREA) LIMITED
(Registered No.02316280)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

Board of Directors: J H Bartlett
T M Thornton
C A McCann

The directors present the strategic report, their report and the financial statements for the year ended 31 December 2015.

STRATEGIC REPORT

Results

The profit for the year after taxation was £4,657,000 which, when added to the retained profit brought forward at 1 January 2015 of £42,307,000, gives a total retained profit carried forward at 31 December 2015 of £46,964,000.

Principal activity and review of the business

The company acts as an intermediate holding company, holding certain investments in Korean chemical companies.

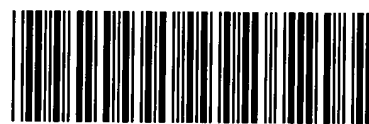
The key financial and other performance indicators during the year were as follows:

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
	£000	£000	%
Dividend income	5,527	5,374	3
Operating profit	4,624	4,310	7
Profit for the year	4,657	4,322	8
Total equity	92,264	87,607	5

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
	%	%	
Quick ratio*	37,874	15,014	22,860

*Quick ratio is defined as current assets, excluding stock, as a percentage of current liabilities.

The overall increase in profit for 2015 is due to the increase in dividends received.



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BP CHEMICALS (KOREA) LIMITED

STRATEGIC REPORT

Principal risks and uncertainties

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

The risks listed below, separately or in combination, could have a material adverse effect on the implementation of the company's strategy, business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation. Unless stated otherwise, further details on these risks are included within the risk factors in the strategic report of the BP group Annual Report and Form 20-F for the year ended 31 December 2015.

Gulf of Mexico oil spill

On 2 July 2015 agreements in principle to settle all federal and state claims and claims made by more than 400 local government entities were signed. See BP Annual Report and Form 20-F 2015 for further information on these agreements. The agreements became effective on 4 April 2016.

The agreements described above significantly reduce the uncertainties faced by BP following the Gulf of Mexico oil spill in 2010. There continues to be uncertainty regarding the outcome or resolution of current or future litigation and the extent and timing of costs relating to the incident not covered by the agreements. The total amounts that will ultimately be paid by BP in relation to the incident will be dependent on many factors, including in relation to any new information or future developments. These uncertainties could have a material impact on the BP group's consolidated financial position, results and cash flows.

Strategic and commercial risks

Geopolitical

The company is exposed to a range of political developments and consequent changes to the operating and regulatory environment.

Joint arrangements and contractors

The company may have limited control over the standards, operations and compliance of its partners, contractors and sub-contractors.

Insurance

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

BP CHEMICALS (KOREA) LIMITED

STRATEGIC REPORT

Principal risks and uncertainties (continued)

Compliance and control risks

US government settlements

The BP group's settlements with legal and regulatory bodies in the US announced in November 2012 in respect of certain charges related to the Gulf of Mexico oil spill may expose the BP group to further penalties, liabilities and private litigation, which in turn could have adverse impacts on the company or could result in suspension or debarment of the company.

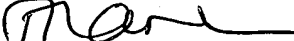
Reporting

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 foreign currency exchange rates and interest rates. Further details on these financial risks are included within Note 28 of the BP group Annual Report and Form 20-F for the year ended 31 December 2015.

By Order of the Board


For and on behalf of
Sunbury Secretaries Limited
Company Secretary

1 June 2016

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP CHEMICALS (KOREA) LIMITED

DIRECTORS' REPORT

Directors

The present directors are listed on page 1.

T M Thornton served as a director throughout the financial year. Changes since 1 January 2015 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
R M Stott	-	1 January 2016
J H Bartlett	1 January 2016	-
C A McCann	10 February 2016	-

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 (2014: £Nil). The directors do not propose the payment of a 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 Companies and Group Regulations 2008 in the strategic report under Financial risk management.

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.

BP CHEMICALS (KOREA) LIMITED

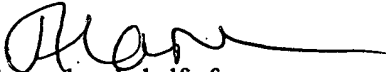
DIRECTORS' REPORT

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 their report of which the company's auditor is unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

By Order of the Board


For and on behalf of
Sunbury Secretaries Limited
Company Secretary

1 June 2016

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP CHEMICALS (KOREA) LIMITED

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable 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 applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the financial statements.

BP CHEMICALS (KOREA) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BP CHEMICALS (KOREA) LIMITED

We have audited the financial statements of BP Chemicals (Korea) Limited for the year ended 31 December 2015 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 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Oxana Dorrington (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

6 June 2016

BP CHEMICALS (KOREA) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

		<u>2015</u>	<u>2014</u>
	Note	£000	£000
Dividend income		5,527	5,374
Administrative expenses		(903)	(1,064)
Operating profit	3	<u>4,624</u>	<u>4,310</u>
Interest receivable and similar income	5	<u>309</u>	<u>281</u>
Profit before taxation		4,933	4,591
Taxation	6	(276)	(269)
Profit for the year		<u>4,657</u>	<u>4,322</u>

The profit of £4,657,000 for the year ended 31 December 2015 was derived in its entirety from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

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

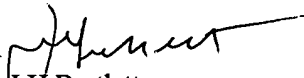
BP CHEMICALS (KOREA) LIMITED

(Registered No. 02316280)

BALANCE SHEET AT 31 DECEMBER 2015

	Note	<u>2015</u> £000	<u>2014</u> £000
Fixed assets			
Investments	8	20,493	20,493
Current assets			
Debtors	9	71,960	67,563
Cash at bank and in hand		<u>1</u>	<u>1</u>
		71,961	67,564
Creditors: amounts falling due within one year			
	10	<u>(190)</u>	<u>(450)</u>
Net current assets		71,771	67,114
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>92,264</u>	<u>87,607</u>
NET ASSETS		<u>92,264</u>	<u>87,607</u>
Capital and reserves			
Called up share capital	11	45,300	45,300
Profit and loss account	12	<u>46,964</u>	<u>42,307</u>
TOTAL EQUITY		<u>92,264</u>	<u>87,607</u>

On behalf of the Board


 J H Bartlett
 Director

1 June 2016

BP CHEMICALS (KOREA) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital (Note 11) £000	Profit and loss account (Note 12) £000	Total £000
Balance at 1 January 2014	45,300	37,985	83,285
Profit for the year, representing total comprehensive income	-	4,322	4,322
Balance at 31 December 2014	45,300	42,307	87,607
Profit for the year, representing total comprehensive income	-	4,657	4,657
Balance at 31 December 2015	45,300	46,964	92,264

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. Authorisation of financial statements and statement of compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)

The financial statements of BP Chemicals (Korea) Limited for the year ended 31 December 2015 were approved by the board of directors on 1 June 2016 and the balance sheet was signed on the board's behalf by J H Bartlett. BP Chemicals (Korea) Limited is a limited company incorporated in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the provisions of the Companies Act 2006.

2. Significant accounting policies, judgements, estimates and assumptions

The significant accounting policies and critical accounting judgements, estimates and assumptions of the company are set out below.

Basis of preparation

These financial statements have been prepared in accordance with FRS 101. The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The accounting policies that follow have been consistently applied to all years presented.

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 in are shown in Note 14 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 10(d), 10(f), 40(a), 111 and 134-136 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;
- (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; and
- (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.

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 14.

The financial statements are presented in GBP sterling and all values are rounded to the nearest thousand pounds (£000).

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

Critical accounting policies: use of judgements, estimates and assumptions

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

Interests in other entities

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity: 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.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and the financial statements have therefore been prepared under the going concern basis.

Foreign currency

The functional and presentation currency of the financial statements is GBP sterling. 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 rate of exchange ruling at the balance sheet date. Any resulting exchange differences are included in the profit and loss account. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

Investments

Fixed asset investments in joint ventures 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.

Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The company recognises, on a line-by-line basis its share of the assets, liabilities and expenses of these joint operations incurred jointly with the other partners, along with the company's income from the sale of its share of the output and any liabilities and expenses that the company has incurred in relation to the joint operation.

Financial assets

Financial assets within the scope of IAS 39 are classified as loans and receivables; financial assets at fair value through profit or loss; derivatives designated as hedging instruments in an effective hedge; held-to-maturity financial assets; or as available-for-sale financial assets, as appropriate. Financial assets may include cash and cash equivalents, trade receivables, other receivables, loans, other investments, and derivative financial instruments. The company determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value, normally being the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortisation process. This category of financial assets includes trade and other receivables. Cash and 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 have a maturity of three months or less from the date of acquisition.

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

Impairment of financial assets

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

Loans and receivables

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

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss; derivatives designated as hedging instruments in an effective hedge; or as financial liabilities measured at amortised cost, as appropriate. Financial liabilities may include trade and other payables, accruals, most items of finance debt and derivative financial instruments. The company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities measured at amortised cost

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

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised 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 recognised respectively in interest receivable and similar income and interest payable and similar charges. This category of financial liabilities includes trade and other payables and finance debt.

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 recognised amounts; and the company intends to either settle on a net basis or realise the asset and settle the liability simultaneously. If both of the criteria are met, the amounts are set off and presented net.

Interest income

Interest income is recognised 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).

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

Dividend income

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

3. Operating profit

This is stated after (crediting) / charging:

	<u>2015</u>	<u>2014</u>
	£000	£000
Net foreign exchange (gains) / losses	<u>(7)</u>	<u>5</u>

4. Auditor's remuneration

	<u>2015</u>	<u>2014</u>
	£000	£000
Fees for the audit of the company	<u>5</u>	<u>5</u>

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of BP Chemicals (Korea) 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

	<u>2015</u>	<u>2014</u>
	£000	£000
Interest income from amounts owed by group undertakings	<u>309</u>	<u>281</u>

6. 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:

	<u>2015</u>	<u>2014</u>
	£000	£000
<u>Current tax</u>		
Overseas tax on income for the year	<u>276</u>	<u>269</u>
Total current tax charged	<u>276</u>	<u>269</u>

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

6. Taxation (continued)

(a) Reconciliation of the effective tax rate

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% for the year ended 31 December 2015 (2014: 21%). The differences are reconciled below:

	<u>2015</u>	<u>2014</u>
	UK	UK
	£000	£000
Profit on ordinary activities before tax	4,933	4,591
Tax charge	276	269
Effective tax rate	6%	6%
	<u>2015</u>	<u>2014</u>
	UK	UK
	%	%
UK corporation tax rate:	20	21
Overseas corporation tax rate:	-	-
Increase / (decrease) resulting from:		
Non-deductible expenditure	2	5
Overseas tax	6	6
Free group relief	-	(1)
Dividends not subject to UK tax	(22)	(25)
Effective tax rate	<u>6</u>	<u>6</u>

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

Change in corporation tax rate

The UK corporation tax rate was reduced from 21% to 20% with effect from 1 April 2015, and will further reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. Deferred tax has been measured using the rates substantively enacted at 31 December 2015.

7. Directors and employees

(a) Remuneration of directors

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2014: £Nil).

(b) Employee costs

The company had no employees during the year (2014: None).

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

8. Investments

	Investment in joint ventures
Cost	£000
At 1 January 2014, 1 January 2015 and 31 December 2015	<u>20,493</u>
Net book amount	
At 31 December 2014, 31 December 2015	<u>20,493</u>

The investments in the joint ventures are unlisted.

The joint ventures of the company at 31 December 2015 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

Joint ventures	Class of share held	%	Principal place of business	Principal activity
LOTTE BP Chemical Co. Ltd (formerly Samsung-BP Chemicals Co., Ltd)	Ordinary shares	51	Republic of South Korea	Chemicals
Asian Acetyls Co., Ltd	Ordinary shares	34	Republic of South Korea	Chemicals

In 2016, there is a change in Korean shareholder in Samsung-BP Chemicals Co., Ltd from Samsung Fine Chemicals Co., Ltd to LOTTE Fine Chemical Co., Ltd. As a result, Samsung-BP Chemicals Co., Ltd has changed name to LOTTE BP Chemical Co., Ltd.

9. Debtors

Amounts falling due within one year:

	2015	2014
	£000	£000
Amounts owed by group undertakings	<u>71,960</u>	<u>67,563</u>

10. Creditors

Amounts falling due within one year:

	2015	2014
	£000	£000
Amounts owed to group undertakings	187	450
Accruals and deferred income	3	-
	<u>190</u>	<u>450</u>

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

11. Called up share capital

	<u>2015</u>	<u>2014</u>
	£000	£000
Issued and fully paid:		
45,300,000 Ordinary shares of £1 each for a total nominal value of £45,300,000	<u>45,300</u>	<u>45,300</u>

12. Reserves

Called up share capital

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

Profit and loss account

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

13. 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.

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	<u>Dividend income from related party</u>
	\$000
LOTTE BP Chemical Co. Ltd (formerly Samsung-BP Chemicals Co., Ltd).	
Joint venture	
Petrochemicals	
2015	3,870
2014	5,374
Asian Acetyls Co., Ltd	
Joint venture	
Petrochemicals	
2015	1,657
2014	-

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14. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Chemicals 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 1 St James's Square, London, SW1Y 4PD.