BP (GTA MAURITANIA) FINANCE LIMITED
(Registered No. 11787488)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

Board of Directors: E I O Ismayilov
R N O Rahmanov
O V Dembitska

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

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

DIRECTORS' REPORT

Directors

The present directors are listed above.

Changes since 1 January 2020 are as follows:

	Appointed	Resigned
A C Lane	—	1 August 2020
I J Evans	—	20 May 2020
N C Christie	1 January 2020	1 December 2020
E L Delaney-McKnight	—	17 January 2020
R I Smith	—	1 December 2020
O V Dembitska	1 August 2020	—
E I O Ismayilov	1 December 2020	—
R N O Rahmanov	1 December 2020	—

Directors' indemnity

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Such qualifying third party indemnity provisions for the benefit of the company's directors remain in force at the date of this report.

Dividends

The company has not declared any dividends during the year (2019 $0). The directors do not propose the payment of a dividend.

Post balance sheet event

In 2Q21, we completed a review of cost and schedule on Tortue Phase 1 and based on this updated view, we are forecasting a reduction in the available Phase 1 cash flows. As a result, in our second quarter results we have applied an expected loss factor of 33.5% on the estimated total loan commitment as required by IFRS9. Given this relates to events and circumstances arising since 31 December 2020, the impact on the company will be included in the financial statements for the year ended 31 December 2021.

Going concern

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

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

Liquidity and financing is managed within bp under pooled group-wide arrangements which include the company. In certain companies, the most commonly used facility, an internal financing account, is not opened because of the challenges and controls in the respective local country's laws. For entities where such accounts are not opened, bp ensures tailored adequate funding is available for these entities via intercompany loans and/or capital injection.

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

In assessing the prospects of BP (GTA Mauritania) Finance 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.

At 31 December 2020 the company's balance sheet had total net liabilities amounting to $563,000.

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 main activity in the next 12 months is to continue funding the NOCs share of the Tortue Unit spend. Having considered the back-to-back funding arrangement and the overdraft facility between BP (GTA Mauritania) Finance Limited and BP International Limited the directors consider the company to be a going concern.

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, interest rates and credit risk. Further details on these financial risks are included within Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2020.

Prices and markets
The company's financial performance is subject to fluctuating prices of oil, gas, technological change, exchange rate fluctuations and the general macroeconomic outlook. Political developments, increased supply of oil and gas or low carbon energy sources, technological change, global economic conditions, public health situations and the influence of OPEC can impact supply and demand and prices for our products.

Liquidity, financial capacity and financial, including credit, exposure
Failure to work within the financial framework set by the bp group could impact the company's ability to operate and result in financial loss. For further details see Derivatives and other financial instruments- Note 9.

Auditors

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

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

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

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of the auditor's report of which the company's auditor is unaware; and

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

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

Authorized for issue on behalf of the Board

DocuSigned by:
Oksana Dembitska 23-09-21
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O V Dembitska
Director

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

BP (GTA MAURITANIA) FINANCE 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 (GTA MAURITANIA) FINANCE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BP (GTA Mauritania) Finance Limited (the company):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its 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 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included. UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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INDEPENDENT AUDITOR'S REPORT

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period 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.

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23-09-21
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William Brooks (Senior Statutory Auditor)
for and on behalf of **Deloitte LLP** **Statutory Auditor**
London, United Kingdom

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

BP (GTA MAURITANIA) FINANCE LIMITED

	Note	2020	Restated 25 January 2019 (date of incorporation) to 31 December 2019
		$000	$000
Administrative expenses		(14)	(15)
Fair value movements on Other Loans	9	3,189	220
Amortisation of deferred loss	9	(246)	(23)
Operating profit		2,929	182
Interest payable and similar expenses	4	(3,448)	(226)
Loss before taxation		(519)	(44)
Taxation	5	—	—
Loss for the financial year		(519)	(44)

The loss of $519,000 for the year ended 31 December 2020 was derived in its entirety from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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BALANCE SHEET

AS AT 31 DECEMBER 2020

BP (GTA MAURITANIA) FINANCE LIMITED
(Registered No.11787488)

	Note	2020 $000	Restated 2019 $000
Non-current assets			
Other Loans at Fair Value	9	79,004	19,097
		79,004	19,097
Creditors: amounts falling due within one year	7	(473)	(102)
Net current liabilities		(473)	(102)
TOTAL ASSETS LESS CURRENT LIABILITIES		78,531	18,995
Creditors: amounts falling due after more than one year	7	(79,094)	(19,039)
NET LIABILITIES		(563)	(44)
Capital and reserves			
Called up share capital	10	—	—
Profit and loss account	11	(563)	(44)
TOTAL EQUITY		(563)	(44)

Authorized for issue on behalf of the Board

DocuSigned by:
Oksana Dembitska 23-09-21
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O V Dembitska
Director

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STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

BP (GTA MAURITANIA) FINANCE LIMITED

	Called up share capital (Note 10)	Profit and loss account (Note 11)	Total
	$000	$000	$000
Balance at 25 January 2019 (date of incorporation)	—	—	—
Loss for the period, representing total comprehensive income (restated)	—	(44)	(44)
Balance at 31 December 2019 (restated)	—	(44)	(44)
Loss for the year, representing total comprehensive income	—	(519)	(519)
Balance at 31 December 2020	—	(563)	(563)

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

The financial statements of BP (GTA Mauritania) Finance Limited for the year ended 31 December 2020 were approved by the board of directors on 22/09/2021 and the balance sheet was signed on the board's behalf by O V Dembitska. BP (GTA Mauritania) Finance Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 11787488000). The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

Principal activity

The company was incorporated on 25th January 2019. The company acts as a finance company issuing a loan to the National Oil Company of Mauritania (Societe Mauritanienne des Hydrocarbures et de Patrimoine Minier (SMHPM)). BP (GTA Mauritania) Finance Limited is a UK entity.

BP (GTA Mauritania) Finance Limited is providing funding to the National Oil Company of Mauritania (SMHPM) for their share of Tortue unit spend based on the Carry Advance Agreement relating to the Tortue/Ahmeyim Project. BP International Limited (BPI), a parent undertaking of BP (GTA Mauritania) Finance Limited is providing a back-to-back funding to support the lending to SMHPM, and therefore indirectly the funding to the National Oil Company of Mauritania (SMHPM) is provided from BP International Limited (BPI).

Beside the back-to-back funding arrangement there is an Intra Group Current Account Facility / Internal Financing Accounts (IFA) Agreement in place between BP International Limited and BP (GTA Mauritania) Finance Limited which contains an overdraft facility.

2. Significant accounting policies, judgements, estimates and assumptions

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

Basis of preparation

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

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

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

(a) the requirements of IFRS 7 Financial Instruments: Disclosures
(b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement
(c) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements
(d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of
 (i) paragraph 79(a)(iv) of IAS 1
(e) the requirements of IAS 7 Statement of Cash Flows

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(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective
(g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
(h) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
(i) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

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 US dollars and all values are rounded to the nearest thousand dollars ($000), except where otherwise indicated.

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 accounting judgements and estimates that 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.

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: the fair valuation of the company's loan to the National Oil Company (NOC), including consideration of any expected credit losses, and the key assumptions used within the fair value model, being the discount rate used and the timing of loan repayments. The discount rate assumption is further discussed below. The timing of loan repayments is an estimate that considers the expected timing of the overall project development and production phases, as well as the ability of the NOC to refinance the loan. The fair valuation at the year end assumes that the NOC will repay the loan at the end of 2026 and also assumes that the NOC will be able to obtain financing from external parties in order to achieve this. Should this not be possible, there is a risk that at least part of the loan balance may not be recoverable in full. Refer to the post balance sheet events note for additional information. The valuation policy is further discussed in the Accounting Policies below.

Climate change, the energy transition, bp's strategy to 2030 and ambition to become a net-zero company by 2050 or sooner were considered in preparing the bp group consolidated financial statements. These issues are not expected to have significant impacts on the currently reported amounts of the company's assets and liabilities.

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

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

Going concern

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

Discount rate assumption and timing of repayment

The discount rate used for valuation of the company's loan to the National Oil Company (NOC) was independently reviewed during the year but this did not have a material impact. In addition, there was no reasonable expectation that NOC would not repay the loan through refinancing based on their stated intent. For details for estimation please see Note 8 and 9.

Significant accounting policies

Going concern

At 31 December 2020 the company's balance sheet had total net liabilities amounting to $563 thousand.

BP (GTA Mauritania) Finance Limited is providing funding to the National Oil Company of Mauritania (SMHPM) for their share of Tortue unit spend based on the Carry Advance Agreement relating to the Tortue/Ahmeyim Project. BP International Limited (BPI), a parent undertaking of BP (GTA Mauritania) Finance Limited is providing a back-to-back funding to support the lending to SMHPM, and therefore indirectly the funding to the National Oil Company of Mauritania (SMHPM) is provided from BP International Limited (BPI).

Beside the back-to-back funding arrangement there is an Intra Group Current Account Facility / Internal Financing Accounts (IFA) Agreement in place between BP International Limited and BP (GTA Mauritania) Finance Limited which contains an overdraft facility.

Having considered the back-to-back funding arrangement and the overdraft facility between BP (GTA Mauritania) Finance Limited and BP International Limited (BPI) the directors consider the company to be a going concern.

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.

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.

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Financial assets

Financial assets are recognized initially at fair value, normally being the transaction price. 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 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.

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

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.

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.

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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 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.

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.

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

DTT

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

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

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

3. Auditor's remuneration

	2020	25 January 2019 (date of incorporation) to 31 December 2019
	$000	$000
Fees for the audit of the company	17	15

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 (GTA Mauritania) Finance Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

4. Interest payable and similar expenses

	2020	25 January 2019 (date of incorporation) to 31 December 2019
	$000	$000
Interest expense on:		
Loans from group undertakings	3,448	226
Total interest payable and similar charges	3,448	226

DTT

5. 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:

	2020	25 January 2019 (date of incorporation) to 31 December 2019
	$000	$000
Current tax		
UK corporation tax on income for the year	—	—
Total current tax charged	—	—
Deferred tax		
Origination and reversal of temporary differences	—	—
Total deferred tax charged	—	—
Tax charged on profit	—	—

In 2020 the total tax charge recognized within other comprehensive income was $Nil and the total tax charge recognized directly in equity was $Nil.

(a) Reconciliation of the effective tax rate

The tax assessed on the loss for the period is lower than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2020. The differences are reconciled below:

	2020	25 January 2019 (date of incorporation) to 31 December 2019
	UK	UK
	$000	$000
Loss before tax	(519)	(44)
Tax charge	—	—
Effective tax rate	— %	— %

	2020	25 January 2019 (date of incorporation) to 31 December 2019
	UK	UK
	%	%
UK corporation tax rate:	19	19 %
Decrease resulting from:		
Free group relief	(19)	(19)
Effective tax rate	—	—

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

DTT

Change in corporation tax rate

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge. The impact on deferred tax has not been calculated as the company has no deferred tax, recognised or unrecognised, within its balance sheet.

6. Directors and employees

(a) Remuneration of directors

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

(b) Employee costs

The company had no employees during the period (2019: Nil).

7. Creditors

Amounts falling due within one year:

	2020	2019
	$000	$000
Amounts owed to parent undertakings	443	87
Accruals and deferred income	30	15
	473	102

Amounts falling due after one year:

	2020	2019
	$000	$000
Amounts owed to parent undertakings	79,094	19,039
	79,094	19,039
Total creditors	79,567	19,141

BP (GTA Mauritania) Finance Limited is providing a carry funding to the National Oil Company of Mauritania (SMHPM) for their share of Tortue unit spend. This funding is recognised as other loans at fair value through profit and loss account in the balance sheet (Note 9).

BP International Limited, a parent undertaking of BP (GTA Mauritania) Finance Limited is providing a back-to-back funding to support the lending to SMHPM. This funding is recognised under creditors falling due within and after one year in amount of $80m (2019: $19m). The interest rate varies from 6.5 - 13.5% (2019: 6.5 - 13.5%) up until the termination date of 2036. In 2020 the accrued interest within one year amounts to $0.443m (2019: $0.09m), while the interest capitalised into the principal balance is $3.2m (2019: $0.14m).

DTT

8. Financial instruments and financial risk factors

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

At 31 December 2020	Note	Measured at amortized cost	Mandatorily measured at fair value through profit or loss	Total carrying amounts
		$000	$000	$000
Financial assets				
Loans	9	—	79,004	79,004
Financial liabilities				
Loans	7	(79,537)	—	(79,537)
		(79,537)	79,004	(533)

Restated 31 December 2019	Note	Measured at amortized cost	Mandatorily measured at fair value through profit or loss	Total carrying amounts
		$000	$000	$000
Financial assets				
Loans	9	—	19,097	19,097
Financial liabilities				
Loans	7	(19,126)	—	(19,126)
		(19,126)	19,097	(29)

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

Information on gains and losses on derivative financial assets and financial liabilities classified as measured at fair value through profit or loss is provided in the derivative gains and losses section of Note 9.

Interest expenses arising on financial instruments are disclosed in Note 4.

Financial risk factors

The management of financial risks is performed at bp group level. The main risk factors applicable to the company are market risk (including commodity price risk) and credit risk. Further details on these financial risks are included within Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2020.

Market risk

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

DTT

9. Other financial asset

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

	2020	Restated 2019
	Fair value asset	Fair value asset
	$000	$000
Other Loans at Fair Value	79,004	19,097
	79,004	19,097

BP (GTA Mauritania) Finance Limited is providing a carry funding to the National Oil Company of Mauritania (SMHPM) for their share of Tortue unit spend based on the Carry Advance Agreement relating to the Tortue/Ahmeyim Project. The interest rate varies from 6.5 - 13.5% up until the termination date of 2036. This funding is recognised as other loans at fair value through profit and loss account in the balance sheet. The balance is fair valued quarterly based on an estimate of the future interest and capital repayment profile, and applying an appropriate discount rate. The discount rate applied at 31 December 2020 was 6.5% (2019 6.5%). The reconciliation of this balance is shown in the below table.

The following table shows the changes during the year in the net fair value of other financial assets within level 3 of the fair value hierarchy.

	Fair Value of Loans	Deferred gain / (loss)	Total
	$000	$000	$000
Net fair value of contracts as at 1 January 2020 (restated)	18,333	764	19,097
Loans issued at Fair Value	55,676	—	55,676
Movement in Fair Value	3,189	—	3,189
Gain deferred on initial recognition	—	1,288	1,288
Amortisation of Deferred Loss through Profit and Loss Account	—	(246)	(246)
Net fair value of contracts as at 31 December 2020	77,198	1,806	79,004

10. Called up share capital

	2020	2019
	$000	$000
Issued and fully paid:		
1 ordinary shares of $1 each for a total nominal value of $1	—	—
	—	—

DTT

11. 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.

In 2020, the company paid interim ordinary dividends of $Nil. The dividend per share was $0.00.

12. Post balance sheet event

In 2Q21, we completed a review of cost and schedule on Tortue Phase 1 and based on this updated view, we are forecasting a reduction in the available Phase 1 cash flows. As a result, in our second quarter results we have applied an expected loss factor of 33.5% on the estimated total loan commitment as required by IFRS9. Given this relates to events and circumstances arising since 31 December 2020, the impact on the company will be included in the financial statements for the year ended 31 December 2021.

13. Prior year adjustment

During the preparation of the 2020 financial statements, we noted that the fair valuation model prepared in the prior year (2019) did not properly reflect all relevant terms of the Carry Advance Agreement (CAA) between bp and SMHPM, the National Oil Company (NOC) of Mauritania and therefore the estimated fair value of the loan was inaccurate. For the 2020 UK Statutory accounts we therefore updated the Fair Value calculation of each loan instalment to better align with the contractual terms. As a result, we restated the 2019 financial statements as the updated calculation resulted in an increase in the Fair Value of the loan on the Balance Sheet with a corresponding increase in the Fair Value movement in the Profit and Loss Account.

Profit and Loss account	2019 $000 As previously stated	$000 Adjustment	2019 $000 Restated
Administrative expenses	(15)	—	(15)
Fair value movements on Other Loans	(327)	547	220
Amortisation of deferred gain / (loss)	66	(89)	(23)
Operating (loss) / profit	(276)	458	182
Interest payable and similar expenses	(226)	—	(226)
Loss before taxation	(502)	458	(44)
Taxation	—	—	—
Loss for the financial year	(502)	458	(44)

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Balance Sheet	2019 $000 As previously stated	$000 Adjustment	2019 $000 Restated
Non-current assets			
Other Loans at Fair Value	18,639	458	19,097
Creditors: amounts falling due within one year	(102)	—	(102)
Net current liabilities	(102)	—	(102)
Total assets less current liabilities	18,537	458	18,995
Creditors: amounts falling due after more than one year	(19,039)	—	(19,039)
NET LIABILITIES	(502)	458	(44)
Capital and reserves			
Called up share capital	—	—	—
Profit and loss account	(502)	458	(44)
TOTAL EQUITY	(502)	458	(44)

Statement of Changes in Equity

	Called up share capital $000	Other reserves $000	Profit and loss account $000	Total $000
Balance at 25 January 2019 (date of incorporation)	—	—	—	—
Loss for the period, representing total comprehensive income	—	—	(502)	(502)
Prior year adjustment	—	—	458	458
Balance at 31 December 2019 (restated)	—	—	(44)	(44)

14. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Exploration Operating Company 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.

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