

PO 14378097/£ 60

In accordance with  
Regulation 32 of the  
Overseas Companies  
Regulations 2009:

**OS AA01**

Statement of details of parent law and other  
information for an overseas company



Companies House

☒ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law.

☐ **What this form is for**  
You cannot use this form to  
accompany an alteration  
with accounts.

THURSDAY



A22 \*AAEMGGNU\*  
07/10/2021 #364  
COMPANIES HOUSE

please  
gov.uk

## Part 1 Corporate company name

Corporate name of overseas company ① ARCO BRITISH LIMITED, LLC

UK establishment number B R 0 0 1 7 1 3

→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state.

## Part 2 Statement of details of parent law and other information for an overseas company

### A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited.

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts.

Legislation ② England and Wales, Companies Act 2006

### A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the  
appropriate accounting organisation  
or body.

Name of organisation or body ③ Financial Reporting Council, FRS101

### A3 Accounts

Accounts Have the accounts been audited? Please tick the appropriate box.

☒ No. Go to Section A5.

☐ Yes. Go to Section A4.

**OS AA01**

## Statement of details of parent law and other information for an overseas company

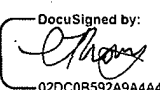
**A4****Audited accounts**

Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to <b>Part 3 'Signature'</b>.</p> <p><input type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to <b>Part 3 'Signature'</b>.</p>	<p>① Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ①		

**A5****Unaudited accounts**

Unaudited accounts	<p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box.</p> <p><input checked="" type="checkbox"/> No.</p> <p><input type="checkbox"/> Yes.</p>	
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**Part 3****Signature**

Signature	<p>I am signing this form on behalf of the overseas company.</p> <p>Signature</p> <p><b>X</b>  <b>X</b></p> <p>DocuSigned by: 02DC0B592A9A4A4...</p>
	<p>This form may be signed by: Director, Secretary, Permanent representative. <b>SECRETARY</b></p>

**OS AA01**

Statement of details of parent law and other information for an overseas company

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Charlie Wood**

Company name **PwC**

Address **1 Embankment Pl,**

**Charing Cross,**

Post town **London**

County/Region

Postcode **W C 2 N 6 R H**

Country

DX

Telephone **+44 (0) 7483423501**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

**Important information**

**Please note that all this information will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address:**

**England and Wales:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Scotland:**

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

**Northern Ireland:**

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.

**Further information**

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**ARCO BRITISH LIMITED, LLC**

		<u>2020</u>	<u>2019</u>
	Note	\$000	\$000
Turnover	2	111,425	180,438
Cost of sales		(131,846)	(131,117)
Gross (loss) / profit		<u>(20,421)</u>	<u>49,321</u>
Exploration expenses		(21,986)	—
Distribution and marketing expenses		(78)	(65)
Administrative expenses		(1,219)	(378)
Impairment of tangible assets	7	(14,055)	—
Reversal of impairment of tangible assets	7	—	1,249
Operating (loss) / profit	3	<u>(57,759)</u>	<u>50,127</u>
Interest receivable and similar income	4	6,863	34,580
Interest payable and similar expenses	5	(4,057)	(5,280)
(Loss) / profit before taxation		<u>(54,953)</u>	<u>79,427</u>
Taxation		33,639	(29,648)
(Loss) / profit for the financial year		<u><u>(21,314)</u></u>	<u><u>49,779</u></u>

The loss of \$21,314,000 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**  
**ARCO BRITISH LIMITED, LLC**

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

**BALANCE SHEET****AT 31 DECEMBER 2020****ARCO BRITISH LIMITED, LLC****(Registered No.FC005677)**

	Note	2020 \$000	2019 \$000
<b>Fixed assets</b>			
Intangible assets	6	—	23,043
Tangible assets	7	122,298	156,158
		<u>122,298</u>	<u>179,201</u>
<b>Current assets</b>			
Stocks	8	4,021	4,758
Debtors – amounts falling due:			
within one year	9	1,196,438	1,518,518
after one year	9	70,029	91,670
Deferred tax assets		3,465	—
		<u>1,273,953</u>	<u>1,614,946</u>
Creditors: amounts falling due within one year	10	(578,727)	(573,152)
<b>Net current assets</b>		<u>695,226</u>	<u>1,041,794</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>817,524</u>	<u>1,220,995</u>
<b>Provisions for liabilities and charges</b>			
Deferred tax liability		—	(13,656)
Other provisions	11	(122,194)	(140,695)
<b>NET ASSETS</b>		<u>695,330</u>	<u>1,066,644</u>
<b>Capital and reserves</b>			
Called up share capital	12	—	—
Additional paid in capital	13	177,829	177,829
Profit and loss account	13	407,681	778,995
Other reserves	13	109,820	109,820
<b>TOTAL EQUITY</b>		<u>695,330</u>	<u>1,066,644</u>

Authorized for issue on behalf of the Board

DocuSigned by:



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Karen MacLennan

08-Sep-2021

Director

**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2020****ARCO BRITISH LIMITED, LLC**

	Called up share capital (Note 12)	Additional paid in capital (Note 13)	Profit and loss account (Note 13)	Other reserves (Note 13)	Total
	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 January 2019</b>	—	177,829	729,216	109,820	1,016,865
Profit for the year, representing total comprehensive income	—	—	49,779	—	49,779
<b>Balance at 31 December 2019</b>	—	177,829	778,995	109,820	1,066,644
(Loss) for the year, representing total comprehensive income	—	—	(21,314)	—	(21,314)
Dividends paid	—	—	(350,000)	—	(350,000)
<b>Balance at 31 December 2020</b>	—	177,829	407,681	109,820	695,330

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2020****ARCO BRITISH LIMITED, LLC****1. Principal activity**

The company's principal activities during the year continued to be the exploration for and production of oil and gas from interests in the UK.

**2. Turnover**

Sales of goods, which is stated net of value added tax, represents amounts where the performance obligation of a contract has been met with third parties and group companies. Turnover is realised entirely in the upstream business.

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

	2020	2019
	\$000	\$000
Revenue from contracts with customers	127,187	190,261
Other operating revenues	(19,677)	(13,154)
Tariff income	3,915	3,331
	<u>111,425</u>	<u>180,438</u>
Interest receivable and similar income (Note 4)	6,863	34,580
	<u>118,288</u>	<u>215,018</u>

The country of origin is the UK geographic area and destination is the UK and North-West Europe geographic areas.

Turnover is attributable to one continuing activity, the production and sale of petroleum and hydrocarbon products. Turnover is recognised at the performance obligation of delivery to the end buyer, being the point risk and reward has transferred in accordance with the sales contract.

**3. Operating profit**

This is stated after charging / (crediting):

	2020	2019
	\$000	\$000
Net foreign exchange losses	14,456	8,373
Research and development costs expensed	125	205
Depreciation of tangible assets (Note 7)	43,475	72,937
Impairment of intangible assets (Note 6)	21,986	—
Impairment of tangible assets (Note 7)	14,055	—
Reversal of impairment of tangible assets (Note 7)	—	(1,249)

**4. Interest receivable and similar income**

	2020	2019
	\$000	\$000
Interest income from amounts owed by group undertakings	6,622	34,578
Other interest income	241	2
Total interest receivable and similar income	<u>6,863</u>	<u>34,580</u>

**NOTES TO THE FINANCIAL STATEMENTS****5. Interest payable and similar expenses**

	<u>2020</u>	<u>2019</u>
	\$000	\$000
Interest expense on:		
Overdrafts from group undertakings	888	1,853
Other interest expense	3	—
Total interest expense	<u>891</u>	<u>1,853</u>
Unwinding of discount on provisions (Note 11)	3,166	3,427
Total interest payable and similar charges	<u><u>4,057</u></u>	<u><u>5,280</u></u>

**6. Intangible assets**

	Exploration Expenditure
	\$000
<b>Cost</b>	
At 1 January 2020	23,523
Additions	130
Disposals	(22,466)
Changes in decommissioning provision	(1,187)
At 31 December 2020	<u><u>—</u></u>
<b>Amortisation</b>	
At 1 January 2020	<u>(480)</u>
Disposals	22,466
Impairment	(21,986)
At 31 December 2020	<u><u>—</u></u>
<b>Net book value</b>	
At 31 December 2020	<u><u>—</u></u>
At 31 December 2019	<u><u>23,043</u></u>

**NOTES TO THE FINANCIAL STATEMENTS****7. Tangible assets**

	Oil & Gas Properties	Of which AUC*
<b>Cost</b>	\$000	\$000
At 1 January 2020	1,629,248	3,971
Additions	37,595	35,780
Transfers	—	(18,155)
Changes in decommissioning provision	(13,925)	—
At 31 December 2020	<u>1,652,918</u>	<u>21,596</u>
<b>Depreciation and impairment</b>		
At 1 January 2020	(1,473,090)	—
Charge for the year	(43,475)	—
Impairment	(14,055)	(1,666)
At 31 December 2020	<u>(1,530,620)</u>	<u>(1,666)</u>
<b>Net book value</b>		
At 31 December 2020	<u>122,298</u>	<u>19,930</u>
At 31 December 2019	<u>156,158</u>	<u>3,971</u>

\*AUC = assets under construction. Assets under construction are not depreciated.

Capitalized interest included above:

	Net book value
	\$000
At 31 December 2020	<u>3,839</u>
At 31 December 2019	<u>4,521</u>

**8. Stocks**

	2020	2019
	\$000	\$000
Raw materials and consumables	<u>4,021</u>	<u>4,758</u>

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

**9. Debtors**

Amounts falling due within one year:

	2020	2019
	\$000	\$000
Trade debtors	2,933	1,956
Amounts owed from parent undertakings	1,157,970	1,481,566
Amounts owed from fellow subsidiaries	13,710	11,000
Other debtors	1,834	1,809
Prepayments and accrued income	18,632	19,942
Petroleum Revenue Tax	1,359	2,245
	<u>1,196,438</u>	<u>1,518,518</u>

**NOTES TO THE FINANCIAL STATEMENTS**

Amounts falling due after one year:

	2020	2019
	\$000	\$000
Amounts owed from fellow subsidiaries	24,637	24,637
Other debtors	35,403	55,081
Prepayments and accrued income	8,688	8,687
Petroleum revenue tax	1,301	3,265
	<u>70,029</u>	<u>91,670</u>
Total debtors	<u>1,266,467</u>	<u>1,610,188</u>

**10. Creditors**

Amounts falling due within one year:

	2020	2019
	\$000	\$000
Trade creditors	14,621	7,262
Amounts owed to parent undertakings	495,162	484,957
Amounts owed to fellow subsidiaries	2,645	2,645
Other creditors	22	14
Taxation	54,313	68,566
Accruals	9,197	6,953
Deferred income	2,617	2,617
Bank overdraft	150	138
	<u>578,727</u>	<u>573,152</u>

**NOTES TO THE FINANCIAL STATEMENTS****11. Other provisions**

	Decom- missioning	Other	Total
	\$000	\$000	\$000
At 1 January 2020	140,695	—	140,695
New or increased provisions:			
Recognized within tangible and intangible assets	(15,112)	—	(15,112)
Charged to profit and loss accounts	(15)	2,304	2,289
Write-back of unused provision	—	(1,620)	(1,620)
Unwinding of discount	3,166	—	3,166
Utilization	(6,540)	(684)	(7,224)
At 31 December 2020	122,194	—	122,194
At 31 December 2020			
Current	18,632	—	18,632
Non-current	103,562	—	103,562
	122,194	—	122,194
At 31 December 2019			
Current	5,855	—	5,855
Non-current	134,840	—	134,840
	140,695	—	140,695

Decommissioning provision cost estimates are reviewed regularly and a review was undertaken in the fourth quarter of 2020. The timing and amount of estimated future expenditures were re-assessed and discounted to determine the present value. The impact of the review was a decrease in the provision of \$15 million, with a similar decrease in the carrying amount of fixed assets. The decommissioning provision as at 31 December 2020 has been updated to reflect the impact of the latest review performed.

**12. Called up share capital**

	2020	2019
	\$	\$
Issued and fully paid:		
100 ordinary shares of \$1 each for a total nominal value of \$100	100	100

**13. 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.

*Additional paid in capital*

The additional paid in capital balance \$177,829,000 represents the difference in capital converted into called up share capital and paid-in capital at the time when the company was converted to a Limited Liability Company registered in Delaware USA.

*Profit and loss account*

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

## **NOTES TO THE FINANCIAL STATEMENTS**

The company paid interim ordinary dividends of \$350,000,000 in December 2020 (2019 \$Nil). The dividend per share was \$3,500,000 (2019 dividend per share: \$Nil)

### *Other reserves*

The other reserves balance consist of additional paid-in capital.

#### **14. Post balance sheet event(s)**

In June 2021, the company agreed to sell its 27.5% interests in the Shearwater field together with its interests in the SEAL and SILK pipelines to Shell for a consideration of \$85m. This triggered impairment charge of \$13 million relating to producing assets. The sale is expected to conclude in the 4<sup>th</sup> quarter of 2021.

In the second quarter of 2021 the company booked impairment reversal of \$4 million relating to producing assets. These principally arose as a result of changes to the bp group's oil and gas price assumptions. The price assumption for Brent oil up to 2030 was increased to reflect near-term supply constraints, whereas the long-term assumption was decreased reaching \$55 per barrel by 2040 and \$45 per barrel by 2050 (in real 2020 terms). The recoverable amounts of the cash generating units were based on value-in-use calculations. These revisions and impairment reversals relate to events and circumstances arising since 31 December and therefore the impact on the company will be included in the financial statements for the year ended 31 December 2021.

#### **15. 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.