LLP registration number: OC415130

OGCI Climate Investments LLP

Annual Report and Financial Statements for the period ended 31 December 2017

OGCI Climate Investments LLP (LLP registration number: OC415130)

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OGCI Climate Investments LLP

LLP Information

Designated members
BP Technology Ventures Limited (appointed 16 December 2016)
Shell Petroleum Co Limited (appointed 16 December 2016)

Members
Eni UK Limited (appointed 16 December 2016)
Repsol Energy Ventures S A (appointed 16 December 2016)
SAEV Guernsey I Limited (appointed 16 December 2016)
Statoil Wind Limited (appointed 16 December 2016)
Total Holdings UK Limited (appointed 16 December 2016)

LLP registered number
OC415130

Independent auditors
Ernst & Young LLP
1 More London Place
SE1 2AF
London
United Kingdom

Registered Office
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3rd Floor 11-12 St. James's Square
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OGCI Climate Investments LLP (LLP registration number: OC415130)

Members' Report
For the period ended 31 December 2017

The members present their annual report together with the financial statements of OGCI Climate Investments LLP ("the LLP") for the period ended 31 December 2017. The LLP was incorporated on 16 December 2016 and its operations, management and governance are governed by the terms of the Members' Agreement ("the Agreement") which was executed on 21 December 2016.

Objectives and activities of the LLP

The LLP is the investment fund of the Oil & Gas Climate Initiative ("the OGCI") and was set up with the purpose of investing in technologies and business solutions that have the potential to significantly reduce greenhouse gas emissions and that are economically viable. Its aim is to catalyse the development and deployment of the technology and business models that show the greatest potential to reduce greenhouse gas emissions.

Areas of focus are:

- Carbon capture, utilisation and storage (CCUS): Investing in novel solutions that are economically viable and scalable to separate, capture, utilise and store CO2.
- Reducing methane emissions: Investing in technologies and solutions to reduce methane emissions from well to point of use.
- Reducing transport emissions: Investing in technologies and partnerships to accelerate reduction of transport related emissions.
- Improving energy efficiency in industry: Investing in hardware, software and business models to boost industrial energy efficiency.

During 2017, the LLP through its investment subsidiary (OGCI Climate Investments Holdings LLP) made 3 investments:

- Clean Gas Project: Our first investment was a project that aims to design a full-scale gas power plant with carbon capture and storage, including industrial CO2 sequestration capability.
- Solidia Technologies: We invested in Solidia Technologies, a US-based pioneer in the heavy-emitting cement and concrete industry. Solidia has patented technology that allows cement to be produced more efficiently, and that uses carbon dioxide to harden concrete. These innovations have the potential to reduce the carbon footprint of cement and concrete by as much as 70% and water consumption by up to 80%.
- Achates Power: We invested in Achates Power, a US-based company that is developing high-efficiency opposed-piston engines that could have a substantial impact on greenhouse gas emissions.

During the period, the LLP incurred costs relating to the management of the business and in relation to the acquisition of investments held by OGCI CI Holdings LLP. No income was received from the investments during the period.

Designated Members

BP Technology Ventures Limited and Shell Petroleum Co Limited were designated members of the LLP throughout the period.

Members

In addition to the Designated Members, Eni UK Limited, Repsol Energy Ventures S A, SAEV Guernsey I Limited, Statoil Wind Limited and Total Holdings UK Limited were members of the LLP throughout the period.

Members' Report
For the period ended 31 December 2017

Members' capital and interests

Each member is required to subscribe to the LLP in accordance with the provisions of the Agreement to fund investments of, and costs incurred by, the LLP. Capital subscribed is repayable by the LLP when the underlying investment to which the capital was applied is realised. Upon realisation of an investment, funds can be reinvested by the LLP at the discretion of the members.
Details of changes in members' capital in the period ended 31 December 2017 are set out in the financial statements.

The profits and losses of the LLP are automatically allocated under the terms of the Agreement to the members according to their individual capital shares, except for Investment Income Profits which are divided according to the Investment Income Shares for the investment in question.
Investment Income Profit shares will be distributed within 90 days of the end of the financial year of the LLP and all other profit shares will be distributed within 90 days of the relevant amounts being received by the LLP.

Management

The Board oversees the operation of the LLP and subsidiaries, which is carried out on a day to day basis by the CEO and Executive Team. The Board also reviews the Strategic Investment Plan on an annual basis, sets targets for the LLP and approves individual investment and divestment decisions which are above the authority level delegated to the CEO.

Board members are appointed nominees of the member companies of the LLP, with sufficient seniority and experience to make a significant contribution to the effectiveness of the Board and success of the LLP. In addition, the Chair of the OGCI Executive Committee is appointed as a non-voting director of the Board.

Board members during the period were:

Director	Nominating Member	Dates
Ahmad Al Khowaiter	SAEV Guernsey Ltd	Full year
David Eyton	BP Technology Ventures Ltd	Full year
Elisabeth Kvalheim	Statoil Wind Ltd	Full year
Giuseppe Bellussi	Eni UK Ltd	Full year
Julio Cortezon Santaclara	Repsol Energy Ventures SA	January to May
Jaime Martin Juez	Repsol Energy Ventures SA	May to December
Jerome Schmitt	Total Holdings UK Ltd	Full year
John MacArthur	Shell Petroleum Co Ltd	Full year
Gerard Moutet	OGCI	Full year

The Board is also responsible for appointing the Designated Members in accordance with the Agreement which requires all Members to serve at least one 2-year term as a Designated Member of the LLP.

OGCI Climate Investments LLP (LLP registration number: OC415130)

Members' Report
For the period ended 31 December 2017

Governance

Under the terms of the Agreement, the Board has established the following sub-committees:

- Audit Committee: responsible for overseeing the LLP's system of internal control, approving the financial statements and recommending that the designated members sign the financial statements on behalf of the members of the LLP.
- Remuneration Committee: responsible for the remuneration policies and practices of the LLP, particularly those of the Executive Team.

UK taxation of income

Under UK tax law, members of the LLP pay tax that is individually assessed on their share of profits. Income taxes are not assessed on the LLP itself and it is therefore not dealt with in these financial statements. The taxation payable on the LLP's profits is the liability of the members.

Appointment of auditors

Ernst & Young LLP have been appointed auditors of the LLP for the period ending 31 December 2017.

This report was approved by the director on 10 May 2018 and signed on their behalf by:

David Eyton
Director

OGCI Climate Investments LLP (LLP registration number: OC415130)

Statement of Members' Responsibilities
For the period ended 31 December 2017

The Companies Act 2006, as applied to Limited Liability Partnership, Regulations 2008 ('LLP Regulations') require the members to prepare financial statements for each financial period. The members have elected to prepare financial statements for the LLP in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

IAS 1 Presentation of Financial Statements requires that financial statements present fairly for each financial period the limited liability partnership's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS.

Members are required to:

- select suitable accounting policies and then apply them consistently, subject to any changes disclosed and explained in the financial statements;
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the LLP's financial position and financial performance; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the LLP will continue in business.

The members' responsibilities set out above are discharged by the Designated Members on behalf of the members. The Designated Members at the date of approval of the financial statements confirm that, so far as they are aware, there is no relevant information of which the LLP's auditors are unaware and each Designated Member has taken all the steps that ought to have been taken by them as members to make themselves aware of any relevant audit information and to establish that the LLP's auditors were aware of that information.

Independent auditors report to the members of OGCI Climate Investments LLP

Opinion

We have audited the financial statements of OGCI Climate Investments LLP for the period ending 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of changes in members' interest, statement of cash flows and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, 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.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by The Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors report to the members of OGCI Climate Investments LLP (continued)

Other information

The other information comprises the information included in the annual report set out on pages 2-5, other than the financial statements and our auditor's report thereon. The members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities set out on page 5, the members 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 members 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 members are responsible for assessing the partnership'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 members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Independent auditors report to the members of OGCI Climate Investments LLP (continued)

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 Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ernst & Young LLP

Stephney Dallmann
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
17 ***May 2018***

Notes:

1. The maintenance and integrity of the Oil and Gas Climate Initiative web site is the responsibility of the members; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Comprehensive Income
For the period ended 31 December 2017

	Notes	2017 $'000
Investment costs		**(1,056)**
Administrative expenses		**(4,350)**
Operating loss	4	**(5,406)**
Loss for the period before members' remuneration		**(5,406)**
Remuneration charged to members' distribution accounts	12	**5,406**
Result for the period		**-**
Other comprehensive income		**-**
Total comprehensive result for the period		**-**

The notes on pages 14 to 24 are an integral part of these financial statements.

Loss for the period and total comprehensive expense for the period are entirely attributable to the members of the LLP.

OGCI Climate Investments LLP (LLP registration number: OC415130)

Statement of Financial Position
As at 31 December 2017

	Notes	2017 $'000
Non-current assets		
Property, plant and equipment	7	93
Investments in subsidiary undertakings	8	15,540
		15,633
Current assets		
Trade and other receivables	9	1,001
Cash and cash equivalents	10	4,134
		5,135
Total assets		**20,768**
Current liabilities		
Trade and other payables	11	3,221
Non-current liabilities		
Members' interests	12	17,547
Total equity and liabilities		**20,768**

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised by the designated member on 10 May 2018

....

John MacArthur
For and on behalf of The Shell Petroleum Company Limited
Designated Member

The notes on pages 14 to 24 are an integral part of these financial statements.

Statement of Changes in Equity
For the period ended 31 December 2017

OGCI Climate Investments LLP has no equity and accordingly has not presented a Statement of Changes in Equity.

The notes on pages 14 to 24 are an integral part of these financial statements.

Statement of Changes in Members' Interests
For the period ended 31 December 2017

	Balances classified as debt		
	Members' capital $'000	Loans and other amounts due from members $'000	Total $'000
On incorporation	**-**	**-**	**-**
Remuneration charged to members' distribution accounts	-	(5,406)	(5,406)
Members' interests after loss for the period	**-**	**(5,406)**	**(5,406)**
Capital introduced	22,953	-	22,953
At 31 December 2017	**22,953**	**(5,406)**	**17,547**

The notes on pages 14 to 24 are an integral part of these financial statements.

OGCI Climate Investments LLP (LLP registration number: OC415130)

Statement of Cash Flows
For the period ended 31 December 2017

	Notes	2017 $'000
Cash flows from operating activities		
Cash generated from operations	15	**(3,174)**
Interest paid		**-**
Cash used in operating activities		**(3,174)**
Cash flows from investing activities		
Additions to property, plant and equipment		**(105)**
Investment in group undertakings		**(15,540)**
Cash used in investing activities		**(15,645)**
Cash flows from financing activities		
Proceeds from capital contributions		**22,953**
Cash used in financing activities		**22,953**
Net increase in cash and cash equivalents		**4,134**
Cash and cash equivalents at beginning of period		**-**
Cash and cash equivalents at end of period		**4,134**

The notes on pages 14 to 24 are an integral part of these financial statements.

Notes to the Financial Statements
For the period ended 31 December 2017

1 Background information

OGCI Climate Investments LLP is a limited liability partnership and was incorporated on 16 December 2016 and domiciled in England and Wales. The LLP's registered office is Suite 1, 3rd Floor 11-12 St. James Square, London, United Kingdom, SW1Y 4LB.

As these financial statements are for the period from incorporation to 31 December 2017, there are no comparative figures.

OGCI CI LLP is the investment fund of the Oil & Gas Climate Initiative. OGCI CI LLP was set up with the purpose of collectively investing to support the development, demonstration and rapid scale up of technologies and business solutions that can materially impact global greenhouse gas emissions, in particular those of the oil and gas industry's operations and products, to enable those technologies and solutions to reach commercial sustainability and to catalyse meaningful action on climate change through collaboration and engagement.

2 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the period presented, unless otherwise stated.

Amounts are presented in United States Dollars ("$" or "USD"), being the presentational and functional currency of the LLP, and to the nearest thousand unless otherwise noted.

Basis of Preparation

The LLP's financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to Limited Liability Partnerships reporting under IFRS. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements have been drawn up for the period from 16 December 2016 to 2017 to 31 December 2017.

Going concern

The financial performance, position and cash flows are set out on pages 9 to 13. Investment and working capital is provided in the form of funding from member companies of OGCI in accordance with the members agreement. Members of OGCI have committed to invest a minimum of $100 million each in OGCI CI LLP and subsidiary investment vehicles under the Members' Agreement and annual budgets and projections of cash requirements are prepared to enable funding to be agreed. The budget for the 2018 financial year end was approved on 12 December 2017. Members therefore have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements.

2 Accounting policies (continued)

Changes in accounting policy and disclosures

New standards, amendments and interpretations not yet adopted

IFRS 9 'Financial Instruments' and IFRS 16 'Leases', are effective for periods beginning on or after 1 January 2018 and 1 January 2019 respectively, subject to EU endorsement.

The LLP falls within the scope of these standards and is assessing the likely impact of these standards on the LLP's financial statements.

Other standards and interpretations or amendments thereto which have been issued, but are not yet effective, are not expected to have a material impact on the LLP's financial statements.

Foreign currencies

Transactions in foreign currencies are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Statement of Financial Position date. Exchange differences are recognised in the Statement of Comprehensive Income.

Property, plant and equipment

Property, plant and equipment is stated in the financial statements at cost less accumulated depreciation and any impairment value. Depreciation is provided to write off the cost less estimated residual value of property, plant and equipment over its expected useful life (which is reviewed at least at each financial period end), on a straight line basis as follows:

- Computer equipment - 2 to 5 years
- Fixtures and fittings - 2 to 5 years

Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the period that the asset is derecognised.

Impairment

The carrying amounts of the LLP's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

2 Accounting policies (continued)

Leases

Leases in which a significant portion of the risks and rewards of ownership are operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

The LLP leases certain property, plant and equipment. Leases of property, plant and equipment where the LLP has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long term payables. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less any impairment.

Investment costs and Administrative expenses

Investments costs include fees and other amounts payable in connection with the purchase of investments in equity interests or related to projects. Such fees include legal costs, due diligence expenditure and specific project related costs such as wages and salaries for individuals working on projects. Administrative expenses include all other costs not reported under investment costs. This includes the cost of management and staff in the LLP.

The LLP also acts as an agent for the Executive Committee (ExCom) of the OGCI, managing the payment of certain expenses related to ExCom activities. Costs related to the ExCom are funded by members of OGCI through a separate bank account. The funding and associated costs are netted in the presentation of these financial statements, with any surplus funding available at the end of the year being included in deferred income in the statements of financial position.

Taxation

As a Limited Liability Partnership, the LLP is not subject to taxation on profits arising in LLP.

Members are individually assessed and liable for taxation arising on their shares of profits and accordingly no provision in recognised in these financial statements.

2 Accounting policies (continued)

Financial instruments

The LLP recognises financial instruments when it becomes party to the contracts that give rise to them and they are derecognised on settlement. They are measured initially at fair value, normally being the transaction price. The subsequent accounting treatment depends on the classification of an instrument as set out below:

Financial instruments recognised on the Statement of Financial Position include cash and cash equivalents, trade receivables, and trade payables

Loans and receivables

The LLP's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are shown inclusive of unbilled amounts and of payments made in advance by customer, reflecting the underlying nature of customer account balances.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the LLP will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the course of ordinary business from suppliers. Accounts payable are classified as current liabilities if payment is due within one period or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently held at amortised cost using the effective interest rate method.

Notes to the Financial Statements
For the period ended 31 December 2017 (continued)

2 Accounting policies (continued)

Members Capital

Members' capital is repayable to members on the realisation of investments to which the capital has been applied. As such, it has been classified as a debt-like item in these financial statements.

Allocation of profits and losses

The profits and losses of the LLP are automatically allocated under the terms of the LLP agreement to the members according to their individual capital shares, except for Investment Income Profits which are divided according to the Investment Income Shares for the investment in question.

3 Significant judgements and estimates

The preparation of the LLP's financial statements in conforming to IFRS required management to make judgements, estimates and assumptions that effect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimation is contained in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

Key estimates

Depreciation of property, plant and equipment

Depreciation rates are based on the estimated useful lives and residual value of the assets involved see note 7.

There are no other significant judgements and estimates that have been applied in the preparation of these financial statements.

4. Operating loss

Operating loss is stated after charging:

	2017
	$'000
Exchange differences	125
Depreciation of property, plant and equipment	12

5. Auditors' remuneration

	2017
	$'000
Fees payable to the LLP's auditors for the audit of the LLP and financial statements	31

OGCI Climate Investments LLP has also borne the audit fees related to its subsidiary undertaking OGCI Climate Investments Holdings LLP. This fee, which was approximately $10,000 is not included in the above total.

Notes to the Financial Statements
For the period ended 31 December 2017 (continued)

6. Employee information

The average monthly number of employees (including directors) employed by the LLP during the period was:

	2017 Number
Operations	3

The number of employees at 31 December 2017 was 3.

The aggregate payroll costs of these employees (excluding members) charged in the Statement of Comprehensive Income was as follows:

	2017 $'000
Wages and salaries	1,426
Social security costs	173
Pension costs	-
	1,599

The LLP is establishing a defined contribution pension scheme for all employees in 2018. No pension costs were incurred in 2017 whilst the LLP was establishing the scheme.

7. Property, plant and equipment

	Fixtures & fittings $'000	Computer equipment $'000	Total $'000
Cost			
On incorporation	-	-	-
Additions	9	96	105
At 31 December 2017	**9**	**96**	**105**
Depreciation			
On incorporation	-	-	-
Charge for the period	-	12	12
At 31 December 2017	**-**	**12**	**12**
Net book value			
At 31 December 2017	**9**	**84**	**93**

The value of assets held under finance leases was $9,000 at 31 December 2017.

8. Investments

Investments in subsidiary undertakings

	2017 £'000
Cost	
On incorporation	-
Additions	15,540
At 31 December 2017	**15,540**

9. Trade and other receivables

	2017 $'000
Current	
Trade receivables	331
Less: provision for impairment	-
Trade receivables – net	331
Other receivables	543
Prepayments and accrued income	127
	1,001

Trade and other receivables are expected to be recovered within 12 months of the balance sheet date. The fair value of all other trade and other receivables is the same as the carrying values shown above.

The carrying value of trade receivables represents the maximum exposure to credit risk. No collateral is held as security.

As at 31 December 2017 there were no trade receivables past due but not impaired.

The carrying amount of the LLP's trade and other receivables are denominated in the following currencies:

	2017 $'000
US Dollar	331

10. Cash and cash equivalents

	2017 $'000
Cash at bank and in hand	4,134

11. Trade and other payables

	2017
	$'000
Trade payables	964
Other creditors	71
Accruals and deferred income	2,186
	3,221

12. Members' interests

	2017
	$'000
Members' capital classified as debt	22,953
Members' distribution accounts	(5,406)
	17,547

Members' capital is repayable to members on the realisation of investments to which the capital has been applied. As such, it has been classified as a debt-like item in these financial statements.

Members' distribution accounts represent profits and (losses) automatically allocated to members' as set out in the LLP agreement.

13. Related party transactions

Transactions with related parties

Members

Member companies have provided resources and expertise over the period to the LLP, principally on a nil cost basis. A total charge of $38,000 has been incurred in the period for those services where the costs are being recharged.

Key management compensation

The compensation of key management of the LLP is as follows:

	2017
	$'000
Salaries and other short-term employee benefits	1,532
Third party	261
	1,793

14. Financial instruments

Financial instruments by category

	Loans and receivables $'000
Assets as per balance sheet	
Trade and other receivables excluding prepayments	331
Cash and cash equivalents	4,134
	4,465

	Liabilities at amortised cost $'000
Liabilities as per balance sheet	
Trade and other payables excluding non-financial liabilities	2,664

LLP Financial Risk Factors

The LLP's activities expose it to a variety of financial risks: liquidity risk, credit risk, market risk (including foreign exchange risk), and capital risk.

The LLP's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the LLP's financial performance. The objective is to identify, quantify, manage and then monitor events or actions that could lead to financial losses.

Risk management is carried out under policies approved by the Board of Directors. LLP identifies and evaluates financial risks in close co-operation with the LLP's operating units. The Board provides principles for overall risk management such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

Liquidity risk arises from the LLP's ongoing financial obligations, including settlement of financial liabilities such as trade and other payables, as well as members' capital.

The table below sets out the contractual maturities (representing undiscounted contractual cash-flows) of trade and other payables:

	Up to 1 year $'000	Between 1 & 5 years $'000	More than 5 years $'000
Trade and other payables excluding non-financial liabilities	2,659	5	-

14. Financial instruments (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The LLP is exposed to credit risk primarily from its financing activities, including deposits with banks and financial institutions.

Credit risk from financing activities

Credit risk from balances with banks and financial institutions is managed by the LLP's treasury policy.

The credit quality of the cash and cash equivalents can be assessed by reference to external credit ratings:

	2017 $'000
Upper medium grade (Investment grade)	4,134

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk. The LLP is not exposed to other price risk such as commodity price risk neither to cash flow interest rate risk as all its borrowings are fixed rate borrowings

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The main currency risk that the LLP is exposed to is British Pounds Sterling (GBP) risk as part of its costs are incurred in this currency.

The sensitivity of the results to a change in these currency is as follows:

Period ended	Change in rate	USD effect $'000
31 December 2017	+5%	(39)
	-5%	39

Capital risk

The LLP's objectives when managing capital are to safeguard the LLP's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, under the terms of the LLP agreement, the LLP may retain cash due to be distributed to members, call on additional contributions from or sell assets.

15 Reconciliation of loss after tax to cash generated from operations

	2017 $'000
Loss after taxation	(5,406)
Finance expense	-
Operating loss	(5,406)
Depreciation of property, plant and equipment	12
Increase in trade and other receivables	(1,001)
Increase in trade and other payables	3,221
Cash generated from operations	**(3,174)**

16 Subsidiary undertakings

The following entities are subsidiary undertakings of the LLP:

Name	Class of share held	Holding	Activity
OGCI Climate Investments Holdings LLP	N/A	100%	Investment LLP
OGCI Climate Investments Group Limited	Ordinary	100%	Intermediate holding company
OGCI Climate Investments (USA) Inc.	Ordinary	100%	Investment company

The registered office of OGCI Climate Investments Holdings LLP and OGCI Climate Investments Group Limited is Suite 1, 3rd Floor 11-12 St. James's Square, London, SW1Y 4LB.

The registered office of OGCI Climate Investments (USA) Inc. is Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware, USA, 19808.

17 Events after the balance sheet date

On 25 January 2018, it was announced that Petrobras SA would join the Oil & Gas Climate Initiative (OGCI), subject to approval of the OGCI CI LLP Members' Agreement by the Petrobras Board of Directors. Petrobras Board confirmed approval of the OGCI CI LLP Members Agreement on 29 March 2018.