

BP OIL VENEZUELA LIMITED**(Registered No.01858781)****ANNUAL REPORT AND FINANCIAL STATEMENTS 2019**

Board of Directors: P J Mather
T M Thornton

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

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

DIRECTORS' REPORT**Directors**

The present directors are listed above.

There have been no director appointments or resignations since 1 January 2019.

Directors' indemnity

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

Dividends

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

Post balance sheet event

Since 31 December 2019, oil and gas prices have fallen sharply in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered. This is a non-adjusting event for the financial statements for the period ending 31 December 2019. Whilst the onset of COVID-19 after the balance sheet date has caused significant economic uncertainty, the directors do not believe that the entity is likely to be impacted given it has ceased operation. The directors continue to expect that the company's asset carrying value will be recovered in full and the accounts have been prepared on a basis other than going concern. Further details are provided under Going Concern below.

Going concern

The directors believe that the company is no longer a going concern, but the company remains in a net asset position and has the ability to meet all the company's liabilities as they fall due. It is the intention of the directors that the company will remain open until the settlement of all the ongoing legal proceedings. The financial statements have been prepared on a basis other than going concern.



DIRECTORS' REPORT**Future developments**

Following the cessation of the purchase and sale of petroleum products, the company is currently only managing the administrative activities in Venezuela. The cessation of trade has caused the going concern assumption to be revoked and the accounts have been prepared on a basis other than going concern. The balance sheet position at the year end will remain with no modifications other than moving all non-current assets and liabilities to current assets and liabilities. All balance sheet items have been presented at the net realizable value as at the end of the reporting period. The directors continue to expect that the company's asset carrying value will be recovered in full.

Financial risk management

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

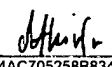
Directors' statement as to the disclosure of information to the auditor

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

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of the auditor's report of which the company's auditor is unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

Authorized for issue by Order of the Board

DocuSigned by:

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For and on behalf of
Sunbury Secretaries Limited
Company Secretary

01 October 2020

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

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

BP OIL VENEZUELA 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. They believe that the company is no longer a going concern, but the company remains in a net asset position and has the ability to meet all the company's liabilities as they fall due. The financial statements have been prepared on a basis other than going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BP OIL VENEZUELA LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BP Oil Venezuela Limited (the company):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to Note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT**Responsibilities of directors**

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

DocuSigned by:

David Holtam
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David Holtam FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP, Statutory Auditor

London, United Kingdom
01 October 2020

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2019****BP OIL VENEZUELA LIMITED**

		2019	2018
	Note	\$	\$
Administrative expenses		(126,612)	(113,295)
Other operating income		—	331,423
Profit on disposal of fixed assets		—	1,011
Operating (loss) / profit	3	(126,612)	219,139
Interest receivable and similar income	5	869,097	773,741
Interest payable and similar expenses	6	(864,207)	(499,332)
(Loss) / profit before taxation		(121,722)	493,548
Tax on (loss) / profit	7	—	—
(Loss) / profit for the year		(121,722)	493,548

The loss of \$121,722 for the year ended 31 December 2019 was derived from administrative expenses.

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

BALANCE SHEET**AS AT 31 DECEMBER 2019****BP OIL VENEZUELA LIMITED****(Registered No.01858781)**

	Note	2019 \$	2018 \$
Current assets			
Intangible assets	9	—	—
Tangible assets	10	—	—
Debtors: amounts falling due within one year	11	29,018,853	29,166,459
Cash at bank and in hand		430	1,878
		<u>29,019,283</u>	<u>29,168,337</u>
Creditors: amounts falling due within one year	12	<u>(10,371)</u>	<u>(37,703)</u>
Net current assets		<u>29,008,912</u>	<u>29,130,634</u>
NET ASSETS		<u>29,008,912</u>	<u>29,130,634</u>
Capital and reserves			
Called up share capital	13	197,113,555	197,113,555
Other reserves	14	48,533	48,533
Profit and loss account	14	(168,153,176)	(168,031,454)
TOTAL EQUITY		<u>29,008,912</u>	<u>29,130,634</u>

Authorized for issue on behalf of the Board

DocuSigned by:

Thornton, Terry M

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T M Thornton

Director

01 October 2020

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2019****BP OIL VENEZUELA LIMITED**

	Called up share capital (Note 13)	Other reserves (Note 14)	Profit and loss account (Note 14)	Total
	\$	\$	\$	\$
Balance at 1 January 2018	197,113,555	48,533	(168,525,002)	28,637,086
Profit for the year, representing total comprehensive income	—	—	493,548	493,548
Balance at 31 December 2018	197,113,555	48,533	(168,031,454)	29,130,634
Loss for the year, representing total comprehensive income	—	—	(121,722)	(121,722)
Balance at 31 December 2019	<u>197,113,555</u>	<u>48,533</u>	<u>(168,153,176)</u>	<u>29,008,912</u>

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2019****BP OIL VENEZUELA LIMITED****1. Authorization of financial statements and statement of compliance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)**

The financial statements of BP Oil Venezuela Limited for the year ended 31 December 2019 were approved by the board of directors on 1st October 2020 and the balance sheet was signed on the board's behalf by T M Thornton. BP Oil Venezuela Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 01858781). The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

Principal activity

Following the cessation of the purchase and sale of petroleum products, the company is currently only managing the administrative activities in Venezuela. It is the intention of the directors that the company will remain open until the settlement of all the ongoing legal proceedings.

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.

Given the cessation of trade has caused the going concern assumption to be revoked, the accounts have been prepared on a basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis other than moving all non-current assets and liabilities to current assets and liabilities. All balance sheet items have been presented at the net realisable value as at the end of the reporting period.

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
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets
- (e) the requirements of IAS 7 Statement of Cash Flows
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective
- (g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures

NOTES TO THE FINANCIAL STATEMENTS

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

Basis of preparation (continued)

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

Where required, equivalent disclosures are given in the group financial statements of BP p.l.c. The group financial statements of BP p.l.c. are available to the public and can be obtained as set out in Note 17.

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

Significant accounting policies: use of judgements, estimates and assumptions

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from the estimates and assumptions used. There were no critical accounting judgements or estimates identified that would have a significant impact on the amounts recognized in the financial statements, or create a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant accounting policies

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.

Intangible assets

Intangible assets, include the use and branding of certain sites, are stated at the amount initially recognized, less accumulated amortisation and accumulated impairment losses.

Intangible assets are carried initially at cost unless acquired as part of a business combination. Any such asset is measured at fair value at the date of the business combination and is recognized separately from goodwill if the asset is separable or arises from contractual or other legal rights.

Intangible assets with a finite life are amortized on a straight-line basis over their expected useful lives. For patents, licences and trademarks, expected useful life is the shorter of the duration of the legal agreement and economic useful life, and can range from three to fifteen years. Computer software costs generally have a useful life of three to five years.

NOTES TO THE FINANCIAL STATEMENTS

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

Tangible assets

Tangible assets owned by the company are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management and, for assets that necessarily take a substantial period of time to get ready for their intended use, directly-attributable finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Tangible assets are depreciated on a straight-line basis over their expected useful lives. The typical useful lives of the company's tangible assets are as follows:

Land and buildings

Land improvements 15 to 25 years

Plant and machinery

Refineries 20 to 30 years

Petrochemicals plants 20 to 30 years

Pipelines 10 to 50 years

Fixtures and fittings

Fixtures and fittings 5 to 15 years

An item of tangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss account in the period in which the item is derecognized.

Impairment of intangible and tangible assets

The company assesses assets or groups of assets, called cash-generating units (CGUs) for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If any such indication of impairment exists, the company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. If it is probable that the value of the CGU will primarily be recovered through a disposal transaction, the expected disposal proceeds are considered in determining the recoverable amount. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group that are not reflected in the discount rate and are discounted to their present value typically using a pre-tax discount rate that reflects current market assessments of the time value of money. Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS

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

Financial assets

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

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

Financial assets measured at amortized cost

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

Impairment of financial assets measured at amortized cost

The company assesses on a forward-looking basis the expected credit losses associated with financial assets classified as measured at amortized cost at each balance sheet date. Expected credit losses are measured based on the maximum contractual period over which the company is exposed to credit risk. As lifetime expected credit losses are recognized for trade receivables and the tenor of substantially all of other in-scope financial assets is less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the company. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the company expects to receive, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognized in the profit and loss account.

A financial asset or group of financial assets classified as measured at amortized cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the company has no reasonable expectation of recovering amounts due.

Financial liabilities

The measurement of financial liabilities is as follows:

Financial liabilities measured at amortized cost

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

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

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

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

Taxation

Income tax expense represents the sum of current tax and deferred tax.

Income tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related tax is recognized in other comprehensive income or directly in equity.

Current tax is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it is determined in accordance with the rules established by the applicable taxation authorities. It therefore excludes items of income or expense that are taxable or deductible in other periods as well as items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the balance sheet method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises on the initial recognition of 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.

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.

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

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

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

Interest income

Interest income is recognized as the interest accrues.

Finance costs

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

Impact of new International Financial Reporting Standards

The company adopted IFRS 16 'Leases', which replaced IAS 17 'Leases' and IFRIC 4 'Determining whether an arrangement contains a lease', with effect from 1 January 2019. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the financial statements.

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

3. Operating (loss) / profit

This is stated after charging / (crediting):

	2019	2018
	\$	\$
Net foreign exchange losses / (gains)	<u>15,542</u>	<u>(17,759)</u>

4. Auditor's remuneration

	2019	2018
	\$	\$
Fees for the audit of the company	<u>19,219</u>	<u>19,196</u>

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

A portion of the fees were borne by another group company.

NOTES TO THE FINANCIAL STATEMENTS

5. Interest receivable and similar income

	2019	2018
	\$	\$
Interest income from amounts owed by group undertakings	869,097	773,741

6. Interest payable and similar expenses

	2019	2018
	\$	\$
Interest expense on overdrafts from group undertakings	864,207	499,332

7. Taxation

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

(a) Reconciliation of the effective tax rate

The tax assessed on the loss for the year is lower than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2019 (2018 19%). The differences are reconciled below:

	2019	2018
	\$	\$
(Loss) / profit before taxation	(121,722)	493,548
Tax charge / (credit)	—	—
Effective tax rate	—%	—%
	2019	2018
	%	%
UK statutory corporation tax rate:	19	19
Decrease resulting from:		
Free group relief	(2)	(11)
Movements in unrecognised deferred tax	(17)	(8)
Effective tax rate	—	—

Change in corporation tax rate

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

(b) Provision for deferred tax

Deferred tax has not been recognized on deductible temporary differences relating to tax losses of \$9,004,429 (2018 \$8,893,359, restated at finalization) with no fixed expiry date on the basis that they are not expected to give rise to any future tax benefit.

NOTES TO THE FINANCIAL STATEMENTS**8. 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 year (2018 \$Nil).

(b) Employee costs

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

9. Intangible assets

	<u>Other intangibles</u>
Cost	\$
At 1 January 2019	55,124,574
At 31 December 2019	<u>55,124,574</u>
Amortization	
At 1 January 2019	55,124,574
At 31 December 2019	<u>55,124,574</u>
Net book value	
At 31 December 2019	<u>—</u>
At 31 December 2018	<u>—</u>

10. Tangible assets

	<u>Land & buildings</u>	<u>Fixtures & fittings</u>	<u>Plant & machinery</u>	<u>Total</u>
Cost - owned tangible assets	\$	\$	\$	\$
At 1 January 2019	19,814,469	490,594	33,982,698	54,287,761
At 31 December 2019	<u>19,814,469</u>	<u>490,594</u>	<u>33,982,698</u>	<u>54,287,761</u>
Depreciation - owned tangible assets				
At 1 January 2019	19,814,469	490,594	33,982,698	54,287,761
At 31 December 2019	<u>19,814,469</u>	<u>490,594</u>	<u>33,982,698</u>	<u>54,287,761</u>
Owned tangible assets - net book value				
At 31 December 2019	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2018	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

Amounts falling due within one year:

	2019	2018
	\$	\$
Amounts owed from parent undertakings	28,999,940	29,149,158
Amounts owed from fellow subsidiaries	18,913	16,188
Other debtors	—	1,113
	<u>29,018,853</u>	<u>29,166,459</u>

The amounts owed from parent undertakings comprise a variable rate funding account of \$40,920,938 (2018 \$40,205,949), which is repayable on demand. Interest is accrued on a monthly basis based on USD daily overnight LIBOR. The interest rate at year end was LIBOR minus 11 basis points (2018 LIBOR minus 11 basis points). Included within amounts owed from parent undertakings is one interest-bearing loan of \$11,920,998 (2018 \$11,056,791) with BP International Limited, with interest being charged based on 1-month USD LIBOR plus 522 basis points (2018 LIBOR plus 254 basis points) and callable on demand. These amounts are presented net as the company has met the offsetting criteria.

12. Creditors

Amounts falling due within one year:

	2019	2018
	\$	\$
Other creditors	661	26,903
Accruals and deferred income	9,710	10,800
	<u>10,371</u>	<u>37,703</u>

13. Called up share capital

	2019	2018
	\$	\$
Issued and fully paid:		
107,914,247 ordinary shares of £1 each for a total nominal value of £107,914,247	<u>197,113,555</u>	<u>197,113,555</u>

14. 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.

Other reserves

The other reserves record share based payment transactions.

15. Related party transactions

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

NOTES TO THE FINANCIAL STATEMENTS**16. Post balance sheet event**

Since 31 December 2019, oil and gas prices have fallen sharply in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered. This is a non-adjusting event for the financial statements for the period ending 31 December 2019. Whilst the onset of COVID-19 after the balance sheet date has caused significant economic uncertainty, the directors do not believe that the entity is likely to be impacted given it has ceased operation. The directors continue to expect that the company's asset carrying value will be recovered in full and the accounts have been prepared on a basis other than going concern.

17. Immediate and ultimate controlling parent undertaking

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