



BRITANNIC STRATEGIES LIMITED
 (Registered No.SCI23106)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2018

Board of Directors: A H Haywood
 R S Lawson
 B M Puffer

The directors present the strategic report, their report and the audited financial statements for the year ended 31 December 2018.

STRATEGIC REPORT

Results

The loss for the year after taxation was \$4,494,000 which, when added to the accumulated loss brought forward at 1 January 2018 (after making a transitional adjustment for IFRS 9) of \$25,020,000, gives an accumulated loss carried forward at 31 December 2018 of \$29,514,000.

Principal activities and review of the business

During the year, the company was involved in precious metals trading and has continued to invest in business opportunities in Iraq and South East Asia.

The majority of the operating loss of \$7,140,000 resulted from the further impairment of the investment in SKA Energy Holdings Limited and the investment loan with Water Way Trading and Petroleum Services LLC.

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

	2018	2017	Variance
	\$000	\$000	\$000
Turnover	32,728	51,246	(18,518)
Operating loss	(7,140)	(68,340)	61,200
Loss for the year	(4,494)	(62,118)	57,624
Total equity	176,550	173,093	3,457

	2018	2017	Variance
Quick ratio	2,753%	1,387%	1,366

The decrease in the turnover has been a result of reduction in the demand and quantities of precious metals traded.

The increase in the quick ratio is mainly a result of the increase in the group debtors balance during the year. This was caused partially by the sale of the Pure Biofuels Holdings LP investment, which has increased the amount of funds held.

Principal risks and uncertainties

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

The risks listed below, separately or in combination, could have a material adverse effect on the implementation of the company's strategy, business, financial performance, results of operations, cash flows, liquidity, prospects,

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STRATEGIC REPORT

shareholder value and returns and reputation. Unless stated otherwise, further details on these risks are included within the risk factors in the strategic report of the BP group Annual Report and Form 20-F for the year ended 31 December 2018.

Strategic and commercial risks

Prices and markets

The company's financial performance is subject to fluctuating prices of oil, gas and refined products, technological change, exchange rate fluctuations and the general macroeconomic outlook.

Geopolitical

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

The impact of the UK's exit from the EU

Following the referendum in 2016, BP has been assessing the potential impact of Brexit on group companies. BP has been preparing for different scenarios for the UK's exit from the EU but does not believe any of these scenarios will pose a significant risk to the business. The BP board's geopolitical committee discussed this, most recently in May 2019. BP continues to monitor developments in this area in line with group risk management processes and procedures.

Liquidity, financial capacity and financial, including credit, exposure

Failure to work within the group's financial framework could impact the company's ability to operate and result in financial loss.

Joint arrangements and contractors

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

Digital infrastructure and cybersecurity

Breach of the company's digital security or failure of its digital infrastructure could damage its operations and reputation.

Climate change and the transition to a lower carbon economy

Policy, legal, regulatory, technology and market change related to the issue of climate change could increase costs, reduce demand for our products, reduce revenue and limit growth opportunities.

Insurance

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

Safety and operational risks

Process safety, personal safety and environmental risks

The company is exposed to a wide range of health, safety, security and environmental risks that could result in regulatory action, legal liability, increased costs, damage to its reputation and potentially denial of its licence to operate.

Security

Hostile acts against the company's staff and activities could cause harm to people and disrupt its operations.

Compliance and control risks

Regulation

Changes in the regulatory and legislative environment could increase the cost of compliance.

STRATEGIC REPORT

Ethical misconduct and non-compliance

Ethical misconduct or breaches of applicable laws by the company's businesses or its employees could be damaging to its reputation, and could result in litigation, regulatory action and penalties.

Treasury and trading activities

Ineffective oversight of treasury and trading activities could lead to business disruption, financial loss, regulatory intervention or damage to the company's reputation.

Reporting

Failure to accurately report the company's data could lead to regulatory action, legal liability and reputational damage.

Financial risk management

The company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risks relating to commodity prices, foreign currency exchange rates and interest rates; credit risk; and liquidity risk. Further details on these financial risks are included within Note 29 of the BP group Annual Report and Form 20-F for the year ended 31 December 2018.

Authorized for issue by Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary



LOLA AGBOOLA, 4 September 2019
Registered Office:

1 Wellheads Avenue
Dyce
Aberdeen
AB21 7PB
United Kingdom

DIRECTORS' REPORT

BRITANNIC STRATEGIES LIMITED

Directors

The present directors are listed on page 1.

A H Haywood served as a director throughout the financial year. Changes since 1 January 2018 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
D J Bucknall	—	1 January 2018
B M Puffer	5 January 2018	—
R S Lawson	1 October 2018	—
M J Nuttall	—	1 October 2018

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 (2017 \$nil). The directors do not propose the payment of a dividend.

Financial instruments

In accordance with section 414C of the Companies Act 2006 the directors have included information regarding financial instruments as required by Schedule 7 (Part 1.6) of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in the strategic report under Financial risk management.

Post balance sheet events

On 6 February 2019 the company approved an equity injection into BP Energy Solutions B.V by way of subscription of 850,000 ordinary share with a nominal value per share of \$1 for a total aggregate consideration of \$850,000.

Future developments

The directors consider that, despite the uncertainties deriving from the current economic environment and the loss reported for the year, the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved.

It is the intention of the directors that the business of the company will continue for the foreseeable future.

DIRECTORS' REPORT

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

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

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of 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.

Authorized for issue by Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary



LOLA AGBOOLA, 4 September 2019

Registered Office:

1 Wellheads Avenue
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT
OF THE FINANCIAL STATEMENTS
BRITANNIC STRATEGIES LIMITED**

The directors are responsible for preparing the Strategic Report, the Directors' 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 and, having a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved, continue to adopt the going concern basis in preparing the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRITANNIC STRATEGIES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Britannic Strategies Limited:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 20.

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

Basis for opinion

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

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

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 authorized for issue.

We have nothing to report in respect of these matters.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

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.



5 September 2019

Thomas Millar (Senior Statutory Auditor)
for and on behalf of Deloitte LLP, Statutory Auditor
London, UK

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

BRITANNIC STRATEGIES LIMITED

		2018	2017
		\$000	(restated) \$000
Turnover	Note 3	32,728	51,246
Cost of sales		(32,119)	(50,413)
Gross profit		<u>609</u>	<u>833</u>
Administrative expenses		(257)	(10,497)
Loss on disposal of fixed asset	4	—	(1,470)
Impairment of fixed asset investments	4	(7,654)	(57,690)
Other operating income		162	484
Operating loss	4	<u>(7,140)</u>	<u>(68,340)</u>
Interest receivable and similar income	7	6,190	6,287
Interest payable and similar expenses	8	(62)	(65)
Loss before taxation		<u>(1,012)</u>	<u>(62,118)</u>
Tax on loss	9	(3,482)	—
Loss for the year		<u>(4,494)</u>	<u>(62,118)</u>

The loss of \$4,494,000 for the year ended 31 December 2018 was derived in its entirety from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

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

BALANCE SHEET

AT 31 DECEMBER 2018

BRITANNIC STRATEGIES LIMITED

(Registered No. SC123106)

		2018	2017
	Note	\$000	(restated) \$000
Fixed assets			
Investments	11	<u>56,114</u>	<u>103,201</u>
Current assets			
Stocks	12	831	865
Debtors – amounts falling due:			
within one year	13	119,316	57,965
after one year	13	<u>4,623</u>	<u>15,240</u>
		124,770	74,070
Creditors: amounts falling due within one year	14	<u>(4,334)</u>	<u>(4,178)</u>
Net current assets		<u>120,436</u>	<u>69,892</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>176,550</u>	<u>173,093</u>
NET ASSETS		<u>176,550</u>	<u>173,093</u>
Capital and reserves			
Called up share capital	15	206,064	206,064
Profit and loss account	16	<u>(29,514)</u>	<u>(32,971)</u>
TOTAL EQUITY		<u>176,550</u>	<u>173,093</u>

Authorized for issue on behalf of the Board



A H Haywood
Director

4 September 2019

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018
BRITANNIC STRATEGIES LIMITED

	Called up share capital (Note 15)	Profit and loss account (Note 16)	Total
	\$000	\$000	\$000
Balance at 1 January 2017 (as previously stated)	206,064	18,496	224,560
Restatement of 1 January 2017 (restated)	—	10,651	10,651
Balance at 1 January 2017 (restated)	206,064	29,147	235,211
Loss for the year, representing total comprehensive income (restated)	—	(62,118)	(62,118)
Balance at 31 December 2017 (restated)	206,064	(32,971)	173,093
Adjustment on adoption of IFRS 9, net of tax	—	7,951	7,951
Balance at 1 January 2018	206,064	(25,020)	181,044
Loss for the year, representing total comprehensive income	—	(4,494)	(4,494)
Balance at 31 December 2018	<u>206,064</u>	<u>(29,514)</u>	<u>176,550</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

BRITANNIC STRATEGIES LIMITED

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

The financial statements of Britannic Strategies Limited for the year ended 31 December 2018 were approved by the board of directors on 4 September 19 and the balance sheet was signed on the board's behalf by A H Haywood. Britannic Strategies Limited is a private company, limited by shares incorporated, domiciled and registered in Scotland (registered number SC123106). The company's registered office is at 1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB, United Kingdom. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

2. Significant accounting policies, judgements, estimates and assumptions

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

Basis of preparation

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

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

These financial statements are separate financial statements. The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare consolidated financial statements, because it is included in the group financial statements of BP p.l.c. Details of the parent in whose consolidated financial statements the company is included are shown in Note 20 to the financial statements.

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

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures
- (b) the requirements of paragraphs 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 paragraph 79(a)(iv) of IAS 1
- (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
- (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
- (j) the requirement of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers

NOTES TO THE FINANCIAL STATEMENTS

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 20.

The financial statements are presented in US Dollars and all values are rounded to the nearest thousand dollars (\$000).

Critical accounting policies: use of judgements, estimates and assumptions

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from the estimates and assumptions used.

Significant judgement: interests in other entities

Judgement is required in assessing the level of control or influence over another entity in which the company holds an interest. Depending upon the facts and circumstances in each case, the company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the company control of a business are business combinations. If the company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then accounted for as an associate held at cost.

Significant accounting policies

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved and the financial statements have therefore been prepared under the going concern basis.

Foreign currency

The functional and presentation currency of the financial statements is 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.

As the company is considered to be an intermediate holding company, and therefore an extension of its parent company, its functional currency is the same as its parent company.

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Where this is not practical and exchange rates do not fluctuate materially the average rate has been used. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the 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.

Investments

Fixed asset investments in subsidiaries, joint ventures and associates are held at cost. The company assesses investments for an impairment indicator annually. If any such indication of possible impairment exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

Where these circumstances have reversed, the impairment previously made is reversed to the extent of the original cost of the investment.

All other fixed asset investments are stated in the financial statements at cost less provisions for impairment.

Interests in joint arrangements

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

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

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

Interests in associates

An associate is an entity over which the company has significant influence, through the power to participate in the financial and operating policy decisions of the investee, but which is not a subsidiary or a joint arrangement.

Stocks

Stocks, other than stocks held for trading purposes, are stated at the lower of cost and net realizable value. Cost is determined by the first-in first-out method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Net realizable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Net realizable value is determined by reference to prices existing at the balance sheet date, adjusted where the sale of inventories after the reporting period gives evidence about their net realizable value at the end of the period.

Stocks held for short-term trading purposes are stated at fair value less costs to sell and any changes in fair value are recognized in the profit and loss account.

Supplies are valued at the lower of cost on a weighted average basis and net realizable value.

Metal leasing

The company engages in precious metal leasing where it acts as a procurer for other group and external counterparties. The metal leases are classified as commodity loans and are outside the scope of IAS 17 Lease Contracts. The metal leases are recognized in the profit and loss account on a straight-line basis, in line with the lease contract and are not marked to market. The lease contracts specify an obligation to return the metal at the end of the lease term. The company has elected not to recognize the asset of the precious metal and the non-financial liability of returning the metal at the conclusion of the contract.

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 financial asset is

NOTES TO THE FINANCIAL STATEMENTS

transferred to a third party. This includes the derecognition of receivables for which discounting arrangements are entered into.

From 1 January 2018, 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 using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired and when interest is recognized using the effective interest method. This category of financial assets includes trade and other receivables.

Financial assets measured at fair value through profit or loss

Financial assets are classified as measured at fair value through profit or loss when the asset does not meet the criteria to be measured at amortized cost. Such assets are carried on the balance sheet at fair value with gains or losses recognized in the income statement.

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. Since this is typically less than 12 months, there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the company's in-scope financial assets. 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 using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized in interest receivable and similar income and interest payable and similar expenses respectively. This category of financial liabilities includes trade and other payables and finance debt.

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NOTES TO THE FINANCIAL STATEMENTS

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.

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 using either the most likely amount or an expected value, depending on which method better predicts the resolution of the uncertainty.

Turnover

Revenue from contracts with customers is recognized when or as the company satisfies a performance obligation by transferring control of a promised good or service to a customer. The transfer of control of precious metals usually coincides with title passing to the customer and the customer taking physical possession. The company principally satisfies its performance obligations at a point in time; the amounts of revenue recognized relating to performance obligations satisfied over time are not significant.

When, or as, a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled. The transaction price is allocated to the performance obligations in the contract based on standalone selling prices of the goods or services promised.

Contracts for the sale of commodities are typically priced by reference to quoted prices. Revenue from term commodity contracts is recognized based on the contractual pricing provisions for each delivery. Certain of these contracts have pricing terms based on prices at a point in time after delivery has been made. Revenue from such contracts is initially recognized based on relevant prices at the time of delivery and subsequently adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

Interest income

Interest income is recognized as the interest accrues using the effective interest rate – that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Finance costs

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

Exceptional items

The company discloses as exceptional items those material items impacting the profit and loss account which, because of the nature and expected infrequency of the events giving rise to them, merit separate disclosure to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Impact of new International Financial Reporting Standards

The company adopted two new accounting standards issued by the IASB with effect from 1 January 2018, IFRS 9 'Financial instruments' and IFRS 15 'Revenue from contracts with customers'. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the financial statements.

IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' was issued in July 2014 and replaced IAS 39 'Financial Instruments: Recognition and Measurement'. The company adopted IFRS 9 and the related consequential amendments to other IFRSs in the financial reporting period commencing 1 January 2018. The company has applied the new standard in accordance with the transition provisions of IFRS 9. Comparatives have not been restated and adjustments on transition have been reported in opening retained earnings at 1 January 2018.

The company's revised accounting policies in relation to financial instruments are provided above.

The overall impact on transition to IFRS 9, was an increase of \$7,951,000 in net assets, net of tax. This adjustment mainly related to fair value movements following re-categorisation upon transition to IFRS 9, offset by an increase in the loss allowance for financial assets in the scope of IFRS 9's impairment requirements. As comparatives have not been restated the closing balance at 31 December 2017 for certain line items in the balance sheet differ from the opening balance at 1 January 2018 (as summarized below).

NOTES TO THE FINANCIAL STATEMENTS

		\$'000	
	31 December 2017	1 January 2018	Adjustment on adoption of IFRS 9
Non-current			
Investments in equity-accounted entities	40,000	49,969	9,969
Investment loans	15,006	14,676	(330)
Loans, trade and other receivables	15,240	15,158	(82)
Current			
Loans, trade and other receivables	57,965	56,359	(1,606)
	128,211	136,162	7,951
Reserves			
Profit and loss account	(32,971)	(25,020)	7,951
	(32,971)	(25,020)	7,951

Classification and measurement

IFRS 9 provides a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. For financial liabilities the existing classification and measurement requirements of IAS 39 are largely retained.

The table below illustrates the classification and carrying amounts of financial assets under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018. There were no differences in classification or carrying amounts for financial liabilities.

			\$'000			
1 January 2018	Classification under IAS 39	Classification under IFRS 9	Carrying amount under IAS 39	Measurement category adjustment on transition	Measurement attribute adjustment on transition	Carrying amount under IFRS 9
Financial assets						
Other investments - equity shares	Available-for-sale financial assets	Fair value through profit or loss	40,000	—	9,969	49,969
- investment loans	Available-for-sale financial assets	Amortized cost	15,006	—	(330)	14,676
Loans	Loans and receivables	Fair value through profit or loss	—	17,210	(1,606)	15,604
Trade and other receivables	Loans and receivables	Amortized cost	73,205	(17,210)	(82)	55,913
			128,211	—	7,951	136,162

Other investments - equity shares existing on transition that were classified as available-for-sale financial assets under IAS 39 are classified as mandatorily measured at fair value through profit or loss (FVTPL) under IFRS 9 which was in respect of an equity investment. Fair value gains and losses will be recognized in profit or loss rather than in other comprehensive income as was the case under IAS 39.

NOTES TO THE FINANCIAL STATEMENTS

Certain loans that were classified as loans and receivables under IAS 39 have been classified as mandatorily measured at FVTPL under IFRS 9, as a result of the business model in which they are held. The adjustment of \$1,606,000 to the carrying amount of these assets on transition reflects the difference between amortized cost measurement under IAS 39 and fair value measurement under IFRS 9.

Adjustments of \$412,000 reducing the carrying amount of financial assets classified as measured at amortized cost under IFRS 9 relate entirely to the additional loss allowance required by the new standard's expected credit loss model. There were no financial assets or financial liabilities which the company had previously designated as at FVTPL under IAS 39 that were required to be reclassified, or which the company has elected to reclassify upon the application of IFRS 9. The company did not elect to designate at FVTPL any financial assets or financial liabilities at the date of initial application of IFRS 9.

Impairment

The financial asset impairment requirements of IFRS 9 introduce a forward-looking expected credit loss model that results in earlier recognition of credit losses than the incurred loss model of IAS 39. The adjustment to the 2018 opening balance sheet relating to expected credit loss reduced both the carrying amounts of financial assets and the profit and loss account reserve.

The table below reconciles the ending impairment allowances in accordance with IAS 39 and the provisions in accordance with IAS 37 to the opening loss allowances determined in accordance with IFRS 9.

					\$'000
1 January 2018	Classification under IAS 39	Classification under IFRS 9	IAS 39 loss allowance	Measurement attribute adjustment on transition	IFRS 9 loss allowance
Financial assets					
Other investments - investment loan	Available-for-sale financial assets	Amortized cost	—	(330)	(330)
Trade and other receivables	Loans and receivables	Amortized cost	(1,709)	(82)	(1,791)
Total loss allowance			(1,709)	(412)	(2,121)

Impairment allowances on available-for-sale assets represent amounts provided against investments in equity instruments that were held at cost under IAS 39. Under IFRS 9 these assets are classified as measured at fair value through profit or loss and therefore no loss allowance exists on these assets under IFRS 9.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' was issued in May 2014 and replaced IAS 18 'Revenue' and certain other standards and interpretations. IFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations. The company adopted IFRS 15 from 1 January 2018 and applied the 'modified retrospective' transition approach to implementation.

The company's revised accounting policy in relation to revenue is provided above. A disaggregation of revenue is provided in note 3.

The company identified certain minor changes in accounting relating to its revenue from contracts with customers but the new standard had no material effect on the company's net assets as at 1 January 2018 and so no transition adjustment is presented.

NOTES TO THE FINANCIAL STATEMENTS

3. Turnover

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

	2018	2017
	\$000	\$000
Trading of metal contracts	32,728	51,246
	32,728	51,246
Other operating income	162	484
Interest receivable and similar income (Note 7)	6,190	6,287
	39,080	58,017

An analysis of turnover by class of business is set out below:

	2018	2017
	\$000	\$000
Class of business:		
Other business and corporate	32,728	51,246
	32,728	51,246

An analysis of turnover by geographical market is set out below:

	2018	2017
	\$000	\$000
By geographical area:		
UK	15,390	14,142
Rest of Europe	12,704	26,890
USA	4,174	7,987
Rest of World	460	2,227
Total	32,728	51,246

4. Operating profit / loss

This is stated after charging:

	2018	2017
	\$000	\$000
Loss on disposal of fixed assets (Note 6)	—	1,470
Impairment of investments (restated)	7,654	57,690

5. Auditor's remuneration

	2018	2017
	\$000	\$000
Fees for the audit of the company	16	17

Fees paid to the company's auditor, Deloitte LLP (2017 Ernst & Young LLP), and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of Britannic Strategies Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

The fees were borne by another group company.

NOTES TO THE FINANCIAL STATEMENTS

6. Exceptional items

	2018	2017
	\$000	\$000
Loss on disposal of fixed assets	—	(1,470)
Exceptional items	—	(1,470)
	—	(1,470)

The loss on disposal in 2017 relates to the sell down of the loan with PT Petro Storindo Energei to ICICI bank.

7. Interest receivable and similar income

	2018	2017
	\$000	\$000
Interest income from amounts owed by group undertakings (restated)	3,316	3,628
Other interest income	2,874	2,659
Total interest receivable and similar income	6,190	6,287

8. Interest payable and similar expenses

	2018	2017
	\$000	\$000
Interest expense on:		
Loans from group undertakings	62	65
Total interest payable and similar expenses	62	65

9. Taxation

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

The taxation charge in the profit and loss account is made up as follows:

	2018	2017
	\$000	\$000
<u>Current tax</u>		
UK corporation tax on income for the year	2,218	—
Double taxation relief	(2,218)	—
	—	—
Overseas tax on income for the year	3,482	—
Total current tax charged	3,482	—
Tax charged on profit	3,482	—

(a) Reconciliation of the effective tax rate

The tax assessed on the profit for the year is lower than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2018 (2017 19.25%). The differences are reconciled below:

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NOTES TO THE FINANCIAL STATEMENTS

	2018	2017 (restated)
	\$000	\$000
Loss before taxation	(1,012)	(62,118)
Tax charge	3,482	—
Effective tax rate	(344)%	0%

	2018	2017 (restated)
	%	%
UK statutory corporation tax rate:	19	19.25
Increase / (decrease) resulting from:		
Non-taxable expenses	8	—
Provision against investment in subsidiaries	(105)	(8.00)
Overseas tax	(125)	—
Free group relief	123	(1.52)
Write off of loan	(39)	(9.88)
Dividends not subject to UK tax	3	0.15
Expenses not deductible for tax purposes	(12)	—
Chargeable gains in excess of accounting gain/loss on disposal	(219)	—
Movements in unrecognised deferred tax	3	—
Effective tax rate	(344)	—

Change in corporation tax rate

The UK corporation tax rate reduced to 19% with effect from 1 April 2017, and will further reduce to 17% from 1 April 2020.

The effective tax rate of -344% has been caused by overseas capital gains tax of \$3,482,000 being paid on the sale of the investment in Pure Biofuels Holdings LP, which has been expensed to the profit and loss account during the year. The UK tax charge for the year is fully offset by double tax relief.

10. 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 (2017 \$Nil).

(b) Employee costs

The company had no employees during the year (2017 None).

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NOTES TO THE FINANCIAL STATEMENTS

11. Investments

	Note	Investment in subsidiaries	Investment in associates	Investment in joint ventures	Other investments	Loans to associates / joint ventures	Total
Cost		\$000	\$000	\$000	\$000	\$000	\$000
At 1 January 2017		17,656	—	82,328	40,000	81,673	221,657
Additions (restated)		—	995	3,199	—	4,244	8,438
Disposals		(4,326)	—	(24,194)	—	(24,500)	(53,020)
Transfers		—	—	—	—	(4,326)	(4,326)
Loan repayment		—	—	—	—	(10,232)	(10,232)
At 31 December 2017 (restated)		<u>13,330</u>	<u>995</u>	<u>61,333</u>	<u>40,000</u>	<u>46,859</u>	<u>162,517</u>
IFRS 9 transition adjustment		—	—	—	9,969	—	9,969
At 1 January 2018		13,330	995	61,333	49,969	46,859	172,486
Additions		310	1,172	1,841	—	3,574	6,897
Disposals		—	—	—	(49,969)	—	(49,969)
Loan repayment		—	—	—	—	(6,000)	(6,000)
At 31 December 2018		<u>13,640</u>	<u>2,167</u>	<u>63,174</u>	<u>—</u>	<u>44,433</u>	<u>123,414</u>
Impairment losses							
At 1 January 2017 (restated)		(7,826)	—	(4,054)	—	(326)	(12,206)
Charge for the year (restated)	4	(1,530)	—	(24,307)	—	(31,853)	(57,690)
Disposals		4,326	—	5,928	—	—	10,254
Transfers		—	—	—	—	326	326
At 31 December 2017 (restated)		<u>(5,030)</u>	<u>—</u>	<u>(22,433)</u>	<u>—</u>	<u>(31,853)</u>	<u>(59,316)</u>
IFRS 9 transition adjustment		—	—	—	—	(330)	(330)
At 1 January 2018		(5,030)	—	(22,433)	—	(32,183)	(59,646)
Charge for the year	4	—	—	(5,590)	—	(2,064)	(7,654)
At 31 December 2018		<u>(5,030)</u>	<u>—</u>	<u>(28,023)</u>	<u>—</u>	<u>(34,247)</u>	<u>(67,300)</u>
Net book amount							
At 31 December 2018		<u>8,610</u>	<u>2,167</u>	<u>35,151</u>	<u>—</u>	<u>10,186</u>	<u>56,114</u>
At 31 December 2017 (restated)		<u>8,300</u>	<u>995</u>	<u>38,900</u>	<u>40,000</u>	<u>15,006</u>	<u>103,201</u>

The investments in subsidiaries, associates and joint ventures are all stated at cost less provision for impairment.

An IFRS 9 re-categorisation adjustment has been booked against a loan held with PT Petro Storindo Energiei of \$330,000 and the equity investment in Pure Biofuels Holdings LP of \$9,969,000. See transition adjustments in note 2.

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NOTES TO THE FINANCIAL STATEMENTS

The 10% equity investment in Pure Biofuels Holdings LP with a historic cost of \$40,000,000 was sold to Valero Energy Corporation for \$49,969,000 in May 2018.

The restatement that is included within the investment note table relates to the prior year adjustment that is discussed in further detail in note 19.

Impairments in 2018 relate to a further impairment of the investment loan with Water Way Trading and Petroleum Services LLC totalling \$2,064,000. There was also an additional impairment against the investment in SKA Energy Holdings Limited of \$5,590,000.

Impairments in 2017 relate to a further impairment of investment in the joint venture NFX Combustiveis Marítimos Limitada as a result of the sale price being lower than the carrying value. There was also a full impairment of the investment loan with Water Way Trading and Petroleum Services LLC totalling \$31,853,000 and a full impairment of the investment in Britannic Investments Iraq Limited totalling \$1,530,000.

The subsidiary and other undertakings of the company at 31 December 2018 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

NOTES TO THE FINANCIAL STATEMENTS

Subsidiary undertakings

Company name	Class of share held	%	Registered address	Principal activity
BP Global West Africa Limited	Ordinary	96	Landmark Towers - 5B, Water Corporation Road, Victoria Island, Lagos, Nigeria	Representative Office
Britannic Investments Iraq Limited	Ordinary	90	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Investment Company
BP Indonesia Investment Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Investment Company
BP Ghana Limited	Ordinary	100	Number 12, Aviation Road, Una Home 3rd Floor, Airport City, Accra, Greater Accra, PMB CT 42, Ghana	Investment Company
Water Way Trading and Petroleum Services LLC**	Ordinary	90	Wharf 1, Khor Al-Zhubair, Basra, Iraq	Investment Company
BP Poseidon Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Energy Trading
Britannic Marketing Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Energy Trading
BP Commodities Trading Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Energy Trading
OOO BP STL***	Member Interest	100	Novinskiy blvd.8, 17th floor, office 11, 121099, Moscow, Russian Federation	Investment Company
BP West Africa Supply Limited**	Ordinary	50	Number 1, Rehoboth Place, Dade Street, North Labone Estates, Accra, Accra Metropolitan, Greater Accra, P.O.BOX CT3278, Ghana	Investment Company
BP Commodity Supply B.V.	Ordinary	100	d'Arcyweg 76 3198 NA Europoort Rotterdam Netherlands	Energy Trading
BP Energy Solutions B.V	Ordinary	100	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Energy Trading

Associated undertakings

Company name	Class of share held	%	Registered address	Principal activity
Vakt Group Limited****	Ordinary	10	24th Floor One Canada Square, London, United Kingdom, E14 5AB	Investment Company

NOTES TO THE FINANCIAL STATEMENTS

Joint ventures

Company name	Class of share held	%	Registered address	Principal activity
SKA Energy Holdings Limited	Ordinary	50	LOB 16, Suite #309, Jebel Ali Free Zone, Dubai, PO BOX 262794, United Arab Emirates	Investment Company
PT Petro Storindo Energi**	Ordinary	30	Bakrie Tower 17th Floor, Rasuna Epicentrum Complex Jl. H.R Rasuna Said, Jakarta, 12940, Indonesia	Investment Company
BP Sinopec Fuel Marine Fuels Pte Ltd	Ordinary	50	112 Robinson Road, #05-01, Robinson 112, 068902, Singapore	Investment Company

**Those investments held indirectly by the company are marked with a double asterisk

***The company holds a 100% member interest in this investment.

****The company has significant influence and is deemed to be an associate.

During 2018, the company received dividends, net of withholding tax, of \$162,000 from BP Sinopec Fuel Marine Fuels Pte Ltd (2017 \$484,000).

12. Stocks

	<u>2018</u>	<u>2017</u>
	\$000	\$000
Trading stocks	<u>831</u>	<u>865</u>

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

13. Debtors

Amounts falling due within one year:

	<u>2018</u>	<u>2017</u>
	\$000	\$000
Trade debtors	4,673	376
Amounts owed from parent undertakings	108,560	47,159
Other debtors	3,943	9,641
Other taxes and social security costs	2,140	789
	<u>119,316</u>	<u>57,965</u>

Amounts falling due after one year:

	<u>2018</u>	<u>2017</u>
	\$000	\$000
Amounts falling due after one year:		
Other debtors	4,623	15,240
	<u>4,623</u>	<u>15,240</u>
Total debtors	<u>123,939</u>	<u>73,205</u>

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NOTES TO THE FINANCIAL STATEMENTS

Other debtors predominantly consist of customer incentives in order for the wider BP group to benefit from future crude off takes.

14. Creditors

Amounts falling due within one year:

	<u>2018</u>	<u>2017</u>
	\$000	\$000
Trade creditors	628	1,175
Amounts owed to parent undertakings	3,658	2,955
Other taxes and social security costs	48	48
Total creditors	<u>4,334</u>	<u>4,178</u>

15. Called up share capital

	<u>2018</u>	<u>2017</u>
	\$000	\$000
Issued and fully paid:		
128,399,423 Ordinary shares of £1.00 each for a total nominal value of £128,399,423	<u>206,064</u>	<u>206,064</u>
	<u>206,064</u>	<u>206,064</u>

16. 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.

17. 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.

18. Post balance sheet events

On 6 February 2019 the company approved an equity injection into BP Energy Solutions B.V by way of subscription of 850,000 ordinary share with a nominal value per share of \$1 for a total aggregate consideration of \$850,000.

NOTES TO THE FINANCIAL STATEMENTS

19. Prior year adjustment

As the result of 2018 statutory accounts audit cycle, it was revealed that the treatment of the impairment in the investment in SKA Energy Holdings Limited was not reported in the correct period. There was a total of \$10,651,000 impact on both 2016 profit and the loss account and balance sheet, whereas, 2017 accounts were affected as follows:

Financial statement line item	2017 as previously reported	2017 restated
	\$000	\$000
Interest receivable and similar income	4,502	6,287
Impairment of fixed asset	(35,257)	(57,690)
Investments	113,198	103,201
Profit and loss account	<u>(22,974)</u>	<u>(32,971)</u>

20. 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.