

CHARGEMASTER LIMITED

(Registered No.06720009)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

Board of Directors: R Williamson
 T Thornton
 M S G De Renzi
 D Mabon
 D D O Robertson

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

STRATEGIC REPORT**Results**

The loss for the year after taxation was £7,173,000 which, when added to the accumulated loss brought forward at 1 January 2019 of £18,300,000; gives a total accumulated loss carried forward at 31 December 2019 of £25,473,000.

Principal activity and review of the business

The principal activity of the company is to supply and operate electric vehicle (EV) charging points.

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

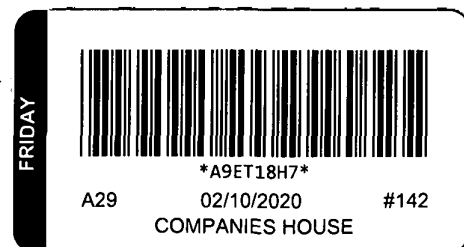
	2019	2018	Variance
	£000	£000	%
Turnover	18,111	15,500	17 %
Operating loss	(6,398)	(14,029)	(54)%
Loss for the year	(7,173)	(15,103)	(53)%
Total equity	37,600	15,033	150 %

Higher turnover in the current year was due to expansion in electric vehicle (EV) charging points in the United Kingdom in line with increasing trend of usage of electric cars. The lower operating loss and loss for the year were due to higher loss incurred in prior year as a result of impairment in investment as well as receivables from GB Electrical and Building Services Limited which was sold in current year, aborted IPO costs as well as finance charges payable under finance lease no longer recognised in profit and loss due to implementation of IFRS 16 effective 1 January 2019.

Section 172 (1) statement

In governing the company on behalf of its shareholders and discharging their duties under section 172, the board has had regard to the factors set out in section 172 (see below) and other factors which the board considers appropriate.

Matters identified that may affect the company's performance in the long term are set out in the principal risks disclosed in the strategic report below.



STRATEGIC REPORT

Section 172 (1) statement (continued)

The company has engaged with key stakeholders and the outcome from such engagement has been considered by the directors during the decision making process where appropriate. Refer to the directors report on stakeholder engagement.

Section 172 factors

Section 172 requires directors to have regard to the following in performing their duties, and as part of the process are required to consider, where relevant:

- a. The likely long-term consequences of the decision.
- b. The interests of the company's employees.
- c. The need to foster the company's business relationships with suppliers, customers and others.
- d. The impact of the company's operations on the community and the environment.
- e. The desire to maintain the company's reputation for high standards of business conduct.
- f. The need to act fairly between members of the company.

To support the directors in the discharge of their duties, and whilst making a decision on behalf of the company, the directors have access to functional assurance support to identify matters which may have an impact on the proposed decision including, where relevant, section 172 factors as outlined above.

During the year the directors continued to monitor progress against the company's strategy, as highlighted in the principal activities section of the strategic report of the company, and decisions made by the directors were in respect of operational matters, in furtherance of the BP group's purpose.

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, 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 2019.

Strategic and commercial risks

Geopolitical

The company is exposed to a range of political developments and consequent changes to the operating and regulatory environment may disrupt or curtail the company's operations or development activities. These may in turn cause production to decline, limit the company's ability to pursue new opportunities, affect the recoverability of our assets or cause us to incur additional costs. Political developments may include international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism or war and public health situations (including an outbreak of an epidemic or pandemic).

The impact of the UK's exit from the EU

BP have been assessing the potential impact on the group of Brexit and the UK's future global relationships. BP have been considering different outcomes but do not believe any of these outcomes pose a significant risk to the business. The BP board's geopolitical committee continues to monitor these developments.

Competition

Inability to remain efficient, maintain a high-quality portfolio of assets, innovate and retain an appropriately skilled workforce could negatively impact delivery of the company's strategy in a highly competitive market.

STRATEGIC REPORT

Strategic and commercial risks (continued)

Insurance

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

Liquidity, financial capacity and financial, including credit, exposure

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

Compliance and control risks

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.

Regulation

Changes in the regulatory and legislative environment could increase the cost of compliance and limit the company's access to new growth opportunities.

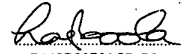
Reporting

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 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 2019.

Authorized for issue by Order of the Board

DocuSigned by:

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For and on behalf of
Sunbury Secretaries Limited
Company Secretary

29 September 2020

Registered Office:

Breckland
Linford Wood
Milton Keynes
MK146GY
United Kingdom

DIRECTORS' REPORT
CHARGEMASTER LIMITED

Directors

The present directors are listed on page 1.

R Williamson and T Thornton served as directors throughout the financial year. Changes since 1 January 2019 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
D Martell	—	30 June 2019
D F Read	28 June 2019	30 June 2020
D Newton	28 June 2019	6 February 2020
M S G De Renzi	6 February 2020	—
D Mabon	14 May 2020	—
D D O Robertson	30 June 2020	—

Directors' indemnity

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

Dividends

The company has not declared any dividends during the year (2018 £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

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. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Further details are provided under Going Concern below. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

After the balance sheet date, 650,000,000 ordinary shares of £0.04 each for a total nominal value of £26,000,000, were allotted to the immediate parent company at par value.

DIRECTORS' REPORT

Going concern

The directors have assessed the prospects of the company over a period of at least 12 months. The directors have considered expectations of the position and performance of the company over this period, taking account of its short-term and longer-range plans. Taking into account the company's current position and its principal risks on pages 2 - 3, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over at least the next 12 months.

Since 31 December 2019, the oil price has 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.

The company supplies and operates electric vehicle (EV) charging points in the United Kingdom and earns revenue from external customers. The company is in a healthy net assets and net current assets position as at 31 December 2019.

The funding of the company's operations is met by its ability to request for equity funding from BP group. The company has received confirmation from BP Group Treasury that it will continue to make this available on demand and provide liquidity and funding to the company as required.

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

In assessing the prospects of Chargemaster Limited, the directors noted that such assessment is subject to a degree of uncertainty that can be expected to increase looking out over time and, accordingly, that future outcomes cannot be guaranteed or predicted with certainty.

Having a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved, the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Future developments

The 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

Disabled employees

The company gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Stakeholder statements

Employee involvement

During the year, the BP group continued its policy of providing employees with information on matters of concern to them. Executive team members hold regular town halls and webcasts to communicate with employees around the world. We conduct an employee engagement survey to monitor employee attitudes and identify areas for improvement. In particular, information relating to group performance and group policies has been readily available to employees through the 'One BP' intranet website.

Employee engagement

Employees are informed of information on matters of concern to them as employees through BP's employee intranet and local sites, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, the low carbon transition and diversity. The BP group has a number of employee-led forums and business resource groups and builds constructive relationships with labour unions formally representing employees. Employees are consulted on a regular basis through regular team and one-to-one meetings and through an annual survey.

Employee share ownership is encouraged and there are a number of employee share plans in BP p.l.c. which are in place at BP group level. For example, the BP group operates a ShareMatch plan in more than 50 countries, matching BP shares purchased by employees. The BP group also operates a group-wide discretionary share plan, which allows employee participation at different levels globally and is linked to the BP group's performance.

As an example of how engagement has directly contributed to shaping policy, in 2019 the group launched a new global commitment to minimum parental leave for new parents. This policy was established through engagement with BP employee-led business resource groups and employee forums, including the working parents' forum.

A stakeholder review is conducted during the decision making process and employee's views are taken into account in decisions likely to affect their interests. Employee engagement is discussed and considered by the directors at board meetings on a regular basis.

Engagement with other stakeholders

The company aims to build enduring relationships with governments, customers, partners, suppliers and communities in the countries where it operates. The company works with its business partners in an honest, respectful and responsible way and seeks to work with others who share the company's commitments to safety and ethics and compliance.

The company's activities affect a wide variety of individuals and organizations. The company engages with these stakeholders and listens to their differing needs and priorities as an everyday part of its business and uses the input and feedback to inform its decision making process.

DIRECTORS' REPORT

Stakeholder statements (continued)

Engagement with other stakeholders (continued)

On behalf of the company, the BP group participates in industry associations that offer opportunities to share good practices and collaborate on issues of importance. Additionally, the BP group works with governments on a range of issues that are relevant to its business, from regulatory compliance, to understanding tax liabilities, to collaborating on community initiatives.

The BP group seeks to engage with customers through social media, focus groups and in-depth interviews with customers to better understand customer's needs and seek their feedback.

Feedback from such engagement has been considered by the directors during the decision making process where relevant.

During the year the directors continued with the implementation of the company's strategy, as highlighted in the strategic report in respect of the principal activities of the company, and decisions made by the directors were in respect of operational matters, in furtherance of the BP group purpose.

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

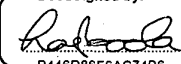
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- 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

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

DocuSigned by:
 29 September 2020
B446D88F6AC74B6...
Registered Office:

Breckland
Linford Wood
Milton Keynes
MK146GY
United Kingdom

**S' RESPONSIBILITIES IN RESPECT
OF THE FINANCIAL STATEMENTS**

CHARGEMASTER LIMITED

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue-in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with these requirements. Details of the directors' assessment of going concern are provided in the directors' report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHARGEMASTER LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Chargemaster 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 25.

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.

DocuSigned by:

Giles Murphy

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Giles Murphy FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP Statutory Auditor

London, United Kingdom

29 September 2020

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2019****CHARGEMASTER LIMITED**

		<u>2019</u>	<u>2018</u>
	Note	£000	£000
Turnover	3	18,111	15,500
Cost of sales		<u>(12,811)</u>	<u>(9,923)</u>
Gross profit		5,300	5,577
Administrative expenses		(10,945)	(8,152)
Other operating income	3	163	—
Loss on disposal of fixed assets	6	(9)	—
Loss on sale of operations	6	(534)	(11,454)
Impairment of fixed asset investments	13	<u>(373)</u>	—
Operating loss	4	(6,398)	(14,029)
Interest receivable and similar income	7	34	4
Interest payable and similar expenses	8	<u>(396)</u>	<u>(393)</u>
Loss before taxation		(6,760)	(14,418)
Tax on loss	9	<u>(413)</u>	<u>(685)</u>
Loss for the year		<u><u>(7,173)</u></u>	<u><u>(15,103)</u></u>

The loss of £7,173,000 for the year ended 31 December 2019 was derived in its entirety from continuing operations.

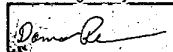
STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 31 DECEMBER 2019**

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****CHARGEMASTER LIMITED****(Registered No.06720009)**

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	11	4,499	2,990
Tangible assets	12	27,320	7,204
Investments	13	1,805	1,179
		<u>33,624</u>	<u>11,373</u>
Current assets			
Stocks	14	8,736	6,407
Debtors - amounts falling due within one year	15	5,446	3,664
Cash at bank and in hand		9,042	3,104
		<u>23,224</u>	<u>13,175</u>
Creditors: amounts falling due within one year	16	(13,725)	(4,959)
Lease liabilities	17	(1,058)	(456)
Other provisions	19	(208)	(208)
Net current assets		<u>8,233</u>	<u>7,552</u>
		<u>41,857</u>	<u>18,925</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Deferred tax liability	9	(382)	—
Lease liabilities	17	(3,875)	(3,892)
		<u>37,600</u>	<u>15,033</u>
NET ASSETS			
Capital and reserves			
Called up share capital	20	38,202	8,462
Share premium account	21	24,871	24,871
Profit and loss account	21	(25,473)	(18,300)
		<u>37,600</u>	<u>15,033</u>
TOTAL EQUITY			

Authorized for issue on behalf of the Board

DocuSigned by:

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D D O Robertson
 Director

29 September 2020

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2019****CHARGEMASTER LIMITED**

	Called up share capital (Note 20)	Share premium account (Note 21)	Other reserves (Note 21)	Profit and loss account (Note 21)	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2018	1,011	23,238	324	(3,521)	21,052
Loss for the year, representing total comprehensive income	—	—	—	(15,103)	(15,103)
Issue of share capital	7,451	1,633	—	—	9,084
Transfers	—	—	(324)	324	—
Balance at 31 December 2018	8,462	24,871	—	(18,300)	15,033
Loss for the year, representing total comprehensive income	—	—	—	(7,173)	(7,173)
Issue of share capital	29,740	—	—	—	29,740
Balance at 31 December 2019	38,202	24,871	—	(25,473)	37,600

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

CHARGEMASTER LIMITED

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

The financial statements of Chargemaster Limited for the year ended 31 December 2019 were approved by the board of directors on ~~29 September 2020~~ and the balance sheet was signed on the board's behalf by D D O Robertson. Chargemaster Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 06720009). The company's registered office is at Breckland, Linford Wood, Milton Keynes, MK146GY, United Kingdom. In the year ended 31 December 2019, the company has changed its accounting framework from 'International Financial Reporting Standards' (IFRS) to Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) as issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 and the provisions of the Companies Act 2006.

There were no measurement or recognition adjustments on the adoption of FRS 101 on the prior year financial statements.

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 25 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
 - (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)

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to: (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
- (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
- (k) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- (l) The requirements of paragraph 58 of IFRS 16 Leases, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

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 25.

The financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£000).

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. The accounting judgements and estimates that have a significant impact on the results of the company are set out within the boxed text below, and should be read in conjunction with the information provided in the Notes to the financial statements.

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.

For further detail on the directors' going concern assessment, please refer to the directors' report.

Foreign currency

The functional and presentation currency of the financial statements is Pound Sterling. 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.

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

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 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.

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

Significant judgements and estimates: impairment of investments

Determination as to whether, and how much, an investment is impaired involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates and the outlook for global or regional market supply-and-demand conditions for electric vehicle related products.

See 'Significant judgements and estimates: recoverability of asset carrying values' below for details of assumptions used.

Intangible assets

Intangible assets, other than goodwill, are stated at the amount initially recognized, less accumulated amortization and accumulated impairment losses.

The expected useful lives of assets and the amortization method are reviewed on an annual basis and, if necessary, changes in useful lives or the amortization method are accounted for prospectively.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Development expenditure

Expenditure on the development of charger units and software, is capitalized within intangible assets and is amortised over its estimated useful life of ten years.

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.

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

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the item will flow to the company, the expenditure is capitalized and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programmes are capitalized and amortized over the period to the next inspection. Overhaul costs for major maintenance programmes, and all other maintenance costs are expensed as incurred.

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

Leasehold improvements

Leasehold improvements 5 years straight-line basis
Leasehold property 48 years straight-line basis

Plant and equipment

Plant and equipment 4 to 7 years reducing balance basis

Motor vehicles

Motor Vehicles 5 years reducing balance basis

POLAR estate

Property - The Polar Network 10 years straight-line basis

Office equipment

Computer equipment 2 to 15 years reducing balance basis
Furniture and fittings 2 to 15 years reducing balance basis

The expected useful lives and depreciation method of tangible assets are reviewed on an annual basis and, if necessary, changes in useful lives or the depreciation method are accounted for prospectively.

The carrying amounts of tangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

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. In limited circumstances where recent market transactions are not available for reference, discounted cash flow techniques are applied. Where discounted cash flow analyses are used to calculate fair value less costs of disposal, estimates are made about the assumptions market participants would use when pricing the asset, CGU or group of CGUs containing goodwill and the test is performed on a post-tax basis.

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.

Significant judgements and estimates: recoverability of asset carrying values

Determination as to whether, and how much, an asset is impaired involves management estimates on highly uncertain matters such as the effects of inflation on operating expenses, discount rates and the outlook for global or regional market supply-and-demand conditions.

The recoverable amount of an asset is the higher of its value in use and its fair value less costs of disposal. Fair value less costs of disposal may be determined based on expected sales proceeds or similar recent market transaction data.

Details of the carrying amounts of assets are shown in Note 11, Note 12 and Note 13.

Stocks

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

Leases

Agreements that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases. The right to control is conveyed if BP has both the right to obtain substantially all of the economic benefits from, and the right to direct the use of, the identified asset throughout the period of use. An asset is identified if it is explicitly or implicitly specified by the agreement and any substitution rights held by the lessor over the asset are not considered substantive.

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

A lease liability is recognized on the balance sheet on the lease commencement date at the present value of future lease payments over the lease term. The discount rate applied is the rate implicit in the lease if readily determinable, otherwise an incremental borrowing rate is used. The incremental borrowing rate is determined based on factors such as the group's cost of borrowing, lessee legal entity credit risk, currency and lease term. The lease term is the non-cancellable period of a lease together with any periods covered by an extension option that BP is reasonably certain to exercise, or periods covered by a termination option that BP is reasonably certain not to exercise. The future lease payments included in the present value calculation are any fixed payments, payments that vary depending on an index or rate, payments due for the reasonably certain exercise of options and expected residual value guarantee payments.

Payments that vary based on factors other than an index or a rate such as usage, sales volumes or revenues are not included in the present value calculation and are recognized in the income statement. The lease liability is recognized on an amortized cost basis with interest expense recognized in the income statement over the lease term, except where capitalized as development expenditure.

The right-of-use asset is recognized on the balance sheet as property, plant and equipment at a value equivalent to the initial measurement of the lease liability adjusted for lease prepayments, lease incentives, initial direct costs and any restoration obligations. The right-of-use asset is depreciated typically on a straight-line basis, over the lease term. The depreciation charge is recognized in the income statement except where capitalized as development expenditure. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of property, plant and equipment, intangible assets, and goodwill.

Agreements may include both lease and non-lease components. Payments for lease and non-lease components are allocated on a relative stand-alone selling price basis except for leases of retail service stations where the group has elected not to separate non-lease payments from the calculation of the lease liability and right-of-use asset.

If the lease term at commencement of the agreement is less than 12 months, a lease liability and right-of-use asset are not recognized, and a lease expense is recognized in the income statement on a straight-line basis.

If a significant event or change in circumstances, within the control of BP, arises that affects the reasonably certain lease term or there are changes to the lease payments, the present value of the lease liability is remeasured using the revised term and payments, with the right-of-use asset adjusted by an equivalent amount.

Modifications to a lease agreement beyond the original terms and conditions are accounted for as a re-measurement of the lease liability with a corresponding adjustment to the right-of-use asset. Any gain or loss on modification is recognized in the income statement. Modifications that increase the scope of the lease at a price commensurate with the stand-alone selling price are accounted for as a separate new lease.

As noted in 'Impact of new International Financial Reporting Standards - IFRS 16 'Leases'', the company elected to apply the 'modified retrospective' transition approach on adoption of IFRS 16. Under this approach, comparative periods' financial information is not restated. The accounting policy applicable for leases in the comparative periods only is disclosed in the following paragraphs.

Agreements under which payments are made to owners in return for the right to use a specific asset are accounted for as leases. Leases that transfer substantially all the risks and rewards of ownership are recognized as finance leases. All other leases are accounted for as operating leases.

Agreements under which payments are made to owners in return for the right to use a specific asset are accounted for as leases. Leases that transfer substantially all the risks and rewards of ownership are recognized as finance leases. All other leases are accounted for as operating leases.

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

Finance leases are capitalized at the commencement of the lease term at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Finance charges are allocated to each period so as to achieve a constant rate of interest on the remaining balance of the liability and are charged directly against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

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

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.

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.

Provisions and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect the risks specific to the liability.

Warranty provision, which usually lasts a period of one to three years in which the company is obligated to repair certain faults 'free of charge' over the warranty period. A provision for such potential costs has been included in the financial statements where it relates to replacement parts but has not been included where it relates to labour costs on the grounds that the company already recognises an on-going cost in relation to personnel in full time employment by the company, solely for the purpose of conducting any maintenance and repairs which might be required.

Employee benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the company. Deferred bonus arrangements that have a vesting date more than 12 months after the balance sheet date are valued on an actuarial basis using the projected unit credit method and amortized on a straight-line basis over the service period until the award vests.

Taxation

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.

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

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

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

- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, where the company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. An exception is where the deferred tax asset relates to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

Sales taxes

Sales taxes that are passed on or charged to customers are excluded from turnover and expenses. Assets and liabilities are recognized net of the amount of sales tax except:

- Sales taxes incurred on the purchase of goods and services which are not recoverable from the taxation authority are recognized as part of the cost of acquisition of the asset.
- Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included within receivables or payables in the balance sheet.

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 goods usually coincides with title passing to the customer and the customer taking physical possession. Revenue is recognized when the service is performed, in accordance with the terms of the contractual arrangements and in the accounting period in which the services are rendered.

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.

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.

Development costs

Development costs for internally developed intangible assets are expensed as incurred unless all of the following criteria are met:

- It is technical feasible to complete the intangible asset so that it will be available for use or sale.
- There is an intention and the ability to complete, and use or sell, the intangible asset.
- It can be demonstrated how the intangible asset will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available.
- The expenditure attributable to the intangible asset during its development can be reliably measured.

These costs are capitalized as an intangible asset and amortized over 10 years.

Finance costs

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

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

IFRS 16 'Leases'

IFRS 16 'Leases' provides a new model for lessee accounting in which the majority of leases will be accounted for by the recognition on the balance sheet of a right-of-use asset and a lease liability. The subsequent amortization of the right-of-use asset and the interest expense related to the lease liability is recognized in profit or loss over the lease term.

The company elected to apply the modified retrospective transition approach in which the cumulative effect of initial application is recognized in opening retained earnings at the date of initial application with no restatement of comparative periods' financial information. Comparative information in the balance sheet has, however, been re-presented to align with current year presentation, showing lease liabilities and lease liability payments as separate line items. These were previously included within finance debt and repayments of long-term financing line items respectively. Amounts presented in these line items for the comparative periods relate to leases accounted for as finance leases under IAS 17. We do not consider any of the judgements or estimates made on transition to IFRS 16 to be significant.

IFRS 16 introduces a revised definition of a lease. As permitted by the standard, the company elected not to reassess the existing population of leases under the new definition and only applies the new definition for the assessment of contracts entered into after the transition date. On transition the standard permitted, on a lease-by-lease basis, the right-of-use asset to be measured either at an amount equal to the lease liability (as adjusted for prepaid or accrued lease payments), or on a historical basis as if the standard had always applied. BP has elected to use the historical asset measurement for its more material leases and used the asset equals liability approach for the remainder of the population. In measuring the right-of-use asset the company applied the transition practical expedient to exclude initial direct costs.

The effect on the company's balance sheet is set out further below. The presentation and timing of recognition of charges in the profit and loss account has changed following the adoption of IFRS 16. The operating lease expense previously reported under IAS 17, typically on a straight-line basis, has been replaced by depreciation of the right-of-use asset and interest on the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

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

IFRS 16 'Leases' (continued)

The following table provides a reconciliation of the operating lease commitments disclosed as at 31 December 2018 to the total lease liability recognized on the balance sheet in accordance with IFRS 16 as at 1 January 2019, with explanations below.

	£000
Operating lease commitments at 31 December 2018	2,503
Effect of discounting	(86)
Redetermination of lease term	(70)
Total additional lease liabilities recognized on adoption of IFRS 16	2,347
Finance lease obligations as 31 December 2018	4,347
Total lease liabilities at 1 January 2019	6,694
Of which - current	1,014
- non-current	5,680

Effect of discounting

The amount of the lease liability recognized in accordance with IFRS 16 is on a discounted basis whereas the operating lease commitments information as at 31 December 2018 is presented on an undiscounted basis. The discount rates used on transition were incremental borrowing rates as appropriate for each lease based on factors such as the lessee legal entity, lease term and currency. The weighted average discount rate used on transition was around 1.4% to 2.3%, with a weighted average remaining lease term of around four years. For new leases commencing after 1 January 2019 the discount rate used will be the interest rate implicit in the lease, if this is readily determinable, or the incremental borrowing rate if the implicit rate cannot be readily determined.

Redetermination of lease term

Under the transition provisions of IFRS 16, the remaining terms of certain leases were redetermined with the benefit of hindsight, on the basis that BP was reasonably certain to exercise its option to terminate those leases before the full term.

Under IAS 17 finance leases were recognized on the balance sheet and continue to be recognized in accordance with IFRS 16. The amounts recognized on the balance sheet as at 1 January 2019 in relation to the right-of-use assets and liabilities for previous finance leases within joint operations are on a net or gross basis as appropriate as described above.

In addition to the lease liability, other line items on the balance sheet adjusted on transition to IFRS 16 include tangible assets for the right-of-use assets, as set out below.

	£000		
	31 December 2018	1 January 2019	Adjustment on adoption of IFRS 16
Fixed assets			
Tangible assets	7,204	9,550	2,346
Creditors: amounts falling due within one year			
Lease liabilities	(456)	(1,014)	(558)
Creditors: amounts falling due after more than one year			
Lease liabilities	(3,892)	(5,680)	(1,788)
Net assets*	15,033	15,033	—

* Net assets also includes the line items not affected by the transition to IFRS 16 that are not presented separately in the table.

NOTES TO THE FINANCIAL STATEMENTS**3. Turnover**

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

	<u>2019</u>	<u>2018</u>
	£000	£000
Revenue from contracts with customers	18,111	15,500
Other operating income	163	—
Interest receivable and similar income (Note 7)	34	4
	<u>18,308</u>	<u>15,504</u>

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

	<u>2019</u>	<u>2018</u>
	£000	£000
Class of business:		
Downstream		
Homecharge	5,625	5,508
Commercial	8,913	7,588
Services	3,573	2,404
Total	<u>18,111</u>	<u>15,500</u>

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

	<u>2019</u>	<u>2018</u>
	£000	£000
By geographical area:		
UK	17,852	14,373
Rest of Europe	210	1,117
Rest of World	49	10
Total	<u>18,111</u>	<u>15,500</u>

NOTES TO THE FINANCIAL STATEMENTS**4. Operating loss**

This is stated after charging / (crediting):

	2019	2018
	£000	£000
Operating lease payments:		
Motor vehicles ^d	—	173
Buildings ^d	—	65
Net foreign exchange gains	(224)	(2)
Amortization of intangible assets ^a	668	498
Depreciation of tangible assets	1,079	695
Depreciation of assets held under finance leases	—	389
Depreciation of right-of-use assets ^c	1,252	—
Impairment of investments	373	—
Reversal of impairment of investments ^a	(3,681)	—
Cost of stock recognized as an expense ^b	12,073	9,518
Impairment of stock recognized as an expense ^b	299	—
Loss on disposal of investments ^a	3,681	—
Warranty provision recognized as an expense ^b	—	—
Write back of provision for intercompany balances ^a	(1,079)	(245)
Stock written off ^b	204	—

^a Amount is included in Administrative expenses.

^b Amount is included in Cost of sales.

^c The line indicated is in respect of the application of IFRS 16 in the current year only.

^d The amount shown for the comparative period relates to leases previously classified as operating leases under IAS 17.

5. Auditor's remuneration

	2019	2018
	£000	£000
Fees for the audit of the company	28	15

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

6. Exceptional items

Exceptional items comprise the loss on disposal of fixed assets and the loss on sale of operations as follows:

	2019	2018
	£000	£000
Loss on disposal of fixed assets	9	—
Loss on sale of operations	534	11,454
Exceptional items	543	11,454

The loss on sale of operations of £534,000 (2018 £11,454,000) arose due to write-off of balances receivable from GB Electrical and Building Services Limited.

There is no tax effect on the sale of operations.

NOTES TO THE FINANCIAL STATEMENTS**7. Interest receivable and similar income**

	2019	2018
	£000	£000
Bank interest receivable	34	4

8. Interest payable and similar expenses

	2019	2018
	£000	£000
Interest expense on:		
Lease liabilities ^a	396	—
Finance charges payable under finance leases ^b	—	393
Total interest expense	396	393

^a In respect of the application of IFRS 16 in the current year only.

^b Interest payable on lease liabilities in the comparative period relates to leases previously classified as finance leases under IAS 17.

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:

	2019	2018
	£000	£000
<u>Current tax</u>		
UK corporation tax on income for the year	31	—
Total current tax charged	31	—
<u>Deferred tax</u>		
Origination and reversal of temporary differences	382	685
Total deferred tax charged	382	685
Tax charged on profit	413	685

(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
	£000	£000
Loss before taxation	(6,760)	(14,418)
Tax charge	413	685
Effective tax rate	(6)%	(5)%

NOTES TO THE FINANCIAL STATEMENTS

9. Taxation (continued)

(a) Reconciliation of the effective tax rate (continued)

	2019	2018
	%	%
UK statutory corporation tax rate:	19	19
Decrease resulting from:		
Non-deductible expenditure	(2)	(15)
Non-taxable income	3	—
Research and development expenditure credit	(1)	—
Free group relief	(67)	—
Adjustments to tax charge in respect of previous years	—	5
Movements in unrecognised deferred tax	42	(14)
Effective tax rate	<u>(6)</u>	<u>(5)</u>

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

The deferred tax included in the profit and loss account and balance sheet is as follows:

	Profit and loss account		Balance sheet	
	2019	2018	2019	2018
<u>Deferred tax asset</u>	£000	£000	£000	£000
Tax losses carried forward	(3,903)	685	(3,903)	(1,382)
Other deductible temporary differences	(48)	—	(48)	(41)
Net credit for deferred tax assets	<u>(3,951)</u>	<u>685</u>	<u>(3,951)</u>	<u>(1,423)</u>

	Profit and loss account		Balance sheet	
	2019	2018	2019	2018
<u>Deferred tax liability</u>	£000	£000	£000	£000
Accelerated capital allowances	4,333	—	4,333	1,423
Net charge for deferred tax liabilities	<u>4,333</u>	<u>—</u>	<u>4,333</u>	<u>1,423</u>
Net deferred tax charge and net deferred tax liability	<u>382</u>	<u>685</u>	<u>382</u>	<u>—</u>

Analysis of movements during the year

	2019
	£000
At 1 January 2019	—
Deferred tax charge in the profit and loss account	382
At 31 December 2019	<u>382</u>

NOTES TO THE FINANCIAL STATEMENTS**10. Directors and employees****(a) Remuneration of directors**

A number of directors are senior executives of the BP p.l.c. Group and received no remuneration for qualifying services to this company.

The following details relate to the directors who received remuneration for their qualifying services to the company and so are in scope for this disclosure.

The total remuneration for these qualifying directors for their period of directorship to the company amounted to £165,000 (2018 £Nil). None of these directors received non-cash benefits in relation to qualifying services.

None of these qualifying directors were members of the defined benefit section of the BP Pension Fund at 31 December 2019 (2018 None).

None of the qualifying directors exercised share options over BP p.l.c. shares during the year (2018 None).

(b) Employee costs

	<u>2019</u>	<u>2018</u>
	£000	£000
Wages and salaries	4,871	4,380
Social security costs	510	196
Other pension costs	112	182
	<u>5,493</u>	<u>4,758</u>

The employee costs noted above relate to those employees with contracts of employment in the name of Chargemaster Limited. These costs are borne by Chargemaster Limited.

Included in other pension costs are £112,000 (2018 £182,000) in respect of defined contribution schemes.

(c) The average monthly number of employees during the year was 291 (2018 193).

	<u>2019</u>	<u>2018</u>
	No.	No.
Management & sales	7	5
Administration	116	76
Technical	168	112
	<u>291</u>	<u>193</u>

NOTES TO THE FINANCIAL STATEMENTS**11. Intangible assets**

	Development costs
Cost	<u>£000</u>
At 1 January 2019	6,066
Additions	2,177
At 31 December 2019	<u>8,243</u>
Amortization	
At 1 January 2019	3,076
Charge for the year	668
At 31 December 2019	<u>3,744</u>
Net book value	
At 31 December 2019	<u>4,499</u>
At 31 December 2018	<u>2,990</u>

NOTES TO THE FINANCIAL STATEMENTS**12. Tangible assets**

	Buildings			Motor vehicles		POLAR estate			Total	Of which AUC ^a
	Leasehold improvements	Right-of-use	Plant and equipment	Owned assets	Right-of-use	Owned assets	Right-of-use	Office equipment		
Cost ^b	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 January 2019	61	1,247	256	1,502	1,099	4,371	3,374	351	12,261	—
Additions	2,238	—	75	795	—	16,930	—	341	20,379	10,765
Disposals	—	—	—	(68)	—	(7)	—	—	(75)	—
Expiry	—	(48)	—	—	(214)	—	—	—	(262)	—
At 31 December 2019	2,299	1,199	331	2,229	885	21,294	3,374	692	32,303	10,765
Depreciation										
At 1 January 2019	9	—	137	470	—	1,310	597	188	2,711	—
Charge for the year	41	521	28	307	342	623	389	80	2,331	—
Disposals	—	—	—	(58)	—	(1)	—	—	(59)	—
At 31 December 2019	50	521	165	719	342	1,932	986	268	4,983	—
Total net book value										
At 31 December 2019	2,249	678	166	1,510	543	19,362	2,388	424	27,320	10,765
At 31 December 2018	52	—	119	1,032	—	3,061	2,777	163	7,204	—

^a AUC = assets under construction. Assets under construction are not depreciated.

^b Leases previously classified as finance leases are included within right-of-use assets following the implementation of IFRS 16 'Leases'; see Note 2 for further information. The reconciliation of owned property, plant and equipment for 2019 does not include right-of-use assets and, therefore, the cost and depreciation at 1 January 2019 is not equal to the cost and depreciation of total property, plant and equipment at 31 December 2018. The relevant amounts excluded are cost of £3,374,000 and depreciation of £597,000 relating to leases previously classified as finance leases.

NOTES TO THE FINANCIAL STATEMENTS**13. Investments**

	Investment in subsidiaries
Cost	<u>£000</u>
At 1 January 2018	4,952
Additions	100
At 31 December 2018	<u>5,052</u>
At 1 January 2019	5,052
Additions	999
Disposals	<u>(3,681)</u>
At 31 December 2019	<u>2,370</u>
Impairment losses	
At 1 January 2018	—
Charge for the year	3,873
At 31 December 2018	<u>3,873</u>
At 1 January 2019	3,873
Charge for the year	373
Disposals	<u>(3,681)</u>
At 31 December 2019	<u>565</u>
Net book amount	
At 31 December 2019	<u>1,805</u>
At 31 December 2018	<u>1,179</u>

The investments in subsidiaries are all stated at cost less provision for impairment.

The investments in the subsidiary undertakings are unlisted.

The carrying value of the investment in subsidiary, Chargemaster (Europe) GMBH of £373,141 was provided in full as its carrying value in the subsidiary undertaking exceeded its recoverable amount and has been recognised in the profit and loss as of 31 December 2019.

The amounts due from Elektromotive Limited and Chargemaster (Europe) GMBH amounting to £648,350 and £350,414 respectively as at 31 December 2019 have been waived and recognised as an equity investment in the subsidiaries.

The subsidiary undertakings of the company at 31 December 2019 and the percentage of equity capital held set out below are the investments which principally affected the profits or net assets of the company. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

All voting rights are equal to percentage of share capital owned unless otherwise noted below.

NOTES TO THE FINANCIAL STATEMENTS**13. Investments (continued)****Subsidiary undertakings**

Company name	Class of share held	%	Registered address	Principal activity
Elektromotive Limited	Ordinary shares	100	Breckland Linford Wood Milton Keynes MK146GY United Kingdom	Investment holding
Chargemaster (Europe) GMBH	Ordinary shares	100	Bischof-von-Henle-Straße 2a Regensburg 93051 Deutschland	Supply and installation of charge points
Charging Solutions Limited	Ordinary shares	100	55 Baker Street London W1U 7EU United Kingdom	In liquidation

14. Stocks

	2019	2018
	£000	£000
Raw materials and consumables	6,778	2,956
Work in progress	- 174	—
Finished goods and goods for resale	1,784	3,451
	<u>8,736</u>	<u>6,407</u>

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

The stock valuation at 31 December 2019 is stated net of a provision of £299,000 (2018 £Nil) to write stock down to their net realizable value and stock written off of £204,000 (2018 £Nil).

15. Debtors

Amounts falling due within one year:

	2019	2018
	£000	£000
Trade debtors	2,414	1,796
Amounts owed from fellow subsidiaries	—	483
Other debtors	1,728	506
Prepayments and accrued income	1,304	879
	<u>5,446</u>	<u>3,664</u>

Trade and other receivables are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS**16. Creditors**

Amounts falling due within one year:

	<u>2019</u>	<u>2018</u>
	£000	£000
Trade creditors	2,473	1,033
Amounts owed to fellow subsidiaries	4,413	294
Other creditors	61	—
Other taxes and social security costs	262	398
Accruals and deferred income	6,516	3,161
Other financial liabilities	—	73
	<u>13,725</u>	<u>4,959</u>

Materially all of the company's trade payables have payment terms in the range of 30 to 60 days and give rise to operating cash flows.

17. Obligations under leases

Loans repayable and obligations under leases, included within creditors, are analysed as follows:

Within 1 year

	<u>2019</u>	<u>2018</u>
	Lease liabilities	Lease liabilities
	£000	£000
Not wholly repayable	<u>1,058</u>	<u>456</u>

After 1 year

	<u>2019</u>	<u>2018</u>
	Lease liabilities	Lease liabilities
	£000	£000
Not wholly repayable	<u>3,875</u>	<u>3,892</u>

The amounts presented for 2019 relate to the maturity of lease liabilities under IFRS 16. The amounts presented for 2018 represent finance leases accounted for under IAS 17.

18. Leases

The company leases a number of assets as part of its activities. The leases are negotiated for an average term of 3 years (2018 7 years).

The company may enter into lease arrangements a number of years before taking control of the underlying asset due to construction lead times or to secure future operational requirements. The total undiscounted amount for future commitments for leases not yet commenced as at 31 December 2019 is £77,500.

	<u>2019</u>
	£000
Additions to right-of-use assets in the period	5,720
Total cash outflow for amounts included in lease liabilities ^a	<u>1,929</u>

^a The cash outflows for amounts not included in lease liabilities approximate the income statement expense disclosed above.

NOTES TO THE FINANCIAL STATEMENTS**18. Leases (continued)**

An analysis of right-of-use assets and depreciation is provided in Note 12. An analysis of lease interest expense is provided in Note 8.

19. Other provisions

	<u>Warranty</u>
	£000
At 1 January 2019	208
At 31 December 2019	<u>208</u>

Warranty provision arises when the company is obligated to repair certain faults 'free of charge' over the warranty period. A provision for such potential costs has been included in the financial statements where it relates to replacement parts but has not been included where it relates to labour costs on the grounds that the company already recognises an on-going cost in relation to personnel in full time employment by the company, solely for the purpose of conducting any maintenance and repairs which might be required.

20. Called up share capital

	<u>2019</u>	<u>2018</u>
	£000	£000
Issued and fully paid:		
955,050,598 (2018 211,550,598) ordinary shares of £0.04 each for a total nominal value of £38,202,024 (2018 £8,462,024)	38,202	8,462
	<u>38,202</u>	<u>8,462</u>

On 15 March 2019, 260,000,000 ordinary shares of £0.04 each for a total nominal value of £10,400,000 were allotted to the parent company at par value.

On 17 May 2019, 26,000,000 ordinary shares of £0.04 each for a total nominal value of £1,040,000 were allotted to the parent company at par value.

On 14 October 2019, 457,500,000 ordinary shares of £0.04 each for a total nominal value of £18,300,000 were allotted to the parent company at par value.

NOTES TO THE FINANCIAL STATEMENTS

21. 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.

Share premium account

The balance on the share premium account represents the amounts received in excess of the nominal value of the ordinary shares.

Profit and loss account

The balance held on this reserve is the accumulated losses of the company.

Other reserves

The balance on the other reserves represents the share-based payment reserves of the company.

22. 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.

23. Post balance sheet events

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. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Further details are provided in the Directors' Report under Going Concern. This is a non-adjusting event for the financial statements for the period ending 31 December 2019.

After the balance sheet date, 650,000,000 ordinary shares of £0.04 each for a total nominal value of £26,000,000, were allotted to the immediate parent company at par value.

24. Transition to FRS 101

For all periods up to and including the year ended 31 December 2018, the company prepared its financial statements in accordance with 'International Financial Reporting Standards' (IFRS). These financial statements, for the year ended 31 December 2019, are the first time the company has prepared in accordance with FRS 101.

Accordingly, the company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2018 and the significant accounting policies meeting those requirements are described in the relevant notes.

There were no measurement or recognition adjustments on the adoption of FRS 101 on the prior year financial statements.

NOTES TO THE FINANCIAL STATEMENTS

25. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Advanced Mobility Limited, a company registered in England and Wales. BP p.l.c. 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.