

BP OIL INTERNATIONAL LIMITED

(Registered No.00322365)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

Board of directors: E E Watt
S C Dee
E P Skinner-Reid

The directors present their report and the audited financial statements for the year ended 31 December 2023.

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

DIRECTORS' REPORT

Directors

The present directors are listed above.

S R Boss-Walker served as a director throughout the financial year. Changes since 1 January 2023 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
B M Puffer	—	30 June 2023
S H Weintraub	—	30 June 2023
S R Boss-Walker	—	18 June 2024
E E Watt	30 June 2023	—
S C Dee	30 June 2023	—
E P Skinner-Reid	18 June 2024	—

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 (2022 £Nil). The directors do not propose the payment of a dividend (2022 £Nil).

Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The current economic and geopolitical environment were considered as part of the going concern assessment.



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DIRECTORS' REPORT

Going concern (continued)

Liquidity and financing are managed within the bp group under pooled group-wide arrangements which include the company. As part of the going concern basis of preparation for the company, the ability and intent of the bp group to support the company has also been taken into consideration. The most recent bp group financial statements continue to be prepared on a going concern basis. Forecast liquidity of the bp group has been assessed under a number of stressed scenarios, including a significant decline in oil prices over the 12-month period from the date these financial statements were approved. Reverse stress tests performed indicated that the bp group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero. In addition, bp group management have confirmed 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. No material uncertainties over going concern or significant judgements or estimates on the assessment were identified. Accordingly, the company will be able to draw on support from the bp group for the foreseeable future and these financial statements have therefore been prepared on a going concern basis.

BP Oil International Limited is in a net assets and net current assets position as at 31 December 2023, and has ongoing funding arrangements with BP International Limited (BPI) to manage its working capital. This deposit exceeds the company's liabilities. The directors' assessment has taken into account the ability of both the company and bp group to ensure availability of funds at least twelve months from the date of approval of these financial statements.

In assessing the prospects of BP Oil International 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 aim to maintain the management policies which have resulted in the company's stability in recent years.

They believe that the company is in a good position to take advantage of any opportunities which may arise in the future.

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

Auditors

Pursuant to section 487 of the Companies Act 2006, Deloitte LLP have expressed their willingness to continue in office as auditors and are therefore deemed reappointed as auditors.

DIRECTORS' REPORT

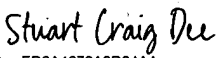
Directors' statement as to the disclosure of information to the auditor

The directors who were members of the board at the time of approving the directors' report, as listed on page 1, confirm 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 section 418 of the Companies Act 2006.

Approved by the board of directors and signed on behalf of the board by:

DocuSigned by:

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July 17, 2024

S C Dee
Director

Registered office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

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

BP OIL INTERNATIONAL 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 BP OIL INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit 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;
- the related notes 1 to 15.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence and environmental regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the licensing authority.

INDEPENDENT AUDITOR'S REPORT

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

DocuSigned by:

Christopher Jones

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July 18, 2024

Christopher Jones MA FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023
BP OIL INTERNATIONAL LIMITED

	Note	2023 £000	2022 £000
Turnover	3	500	500
Operating profit		500	500
Interest receivable and similar income	5	7,076	2,370
Interest payable and similar expenses	6	(3)	(8)
Profit before taxation		7,573	2,862
Tax on profit	7	—	—
Profit for the financial year		7,573	2,862

The profit of £7,573,000 for the financial year ended 31 December 2023 was derived in its entirety from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

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

BALANCE SHEET

AS AT 31 DECEMBER 2023

BP OIL INTERNATIONAL LIMITED

(Registered No.00322365)

	Note	<u>2023</u> £000	<u>2022</u> £000
Fixed assets			
Investments	9	—	—
Current assets			
Debtors: amounts falling due within one year	10	156,039	148,471
Creditors: amounts falling due within one year	11	(1)	(6)
Net current assets		<u>156,038</u>	<u>148,465</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>156,038</u>	<u>148,465</u>
NET ASSETS		<u>156,038</u>	<u>148,465</u>
Capital and reserves			
Called up share capital	12	125,000	125,000
Profit and loss account	13	31,038	23,465
TOTAL EQUITY		<u>156,038</u>	<u>148,465</u>

The financial statements were approved by the board of directors and authorised for issue on 17 July 2024 and were signed on its behalf by:

DocuSigned by:

Stuart Craig Dee

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July 17, 2024

S C Dee
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
BP OIL INTERNATIONAL LIMITED

	Called up share capital (Note 12) £000	Profit and loss account (Note 13) £000	Total £000
Balance at 1 January 2022	125,000	20,603	145,603
Profit for the financial year, representing total comprehensive income	—	2,862	2,862
Balance at 31 December 2022	<u>125,000</u>	<u>23,465</u>	<u>148,465</u>
Balance at 1 January 2023	125,000	23,465	148,465
Profit for the financial year, representing total comprehensive income	—	7,573	7,573
Balance at 31 December 2023	<u><u>125,000</u></u>	<u><u>31,038</u></u>	<u><u>156,038</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

BP OIL INTERNATIONAL LIMITED

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

The financial statements of BP Oil International Limited for the year ended 31 December 2023 were approved by the board of directors on 17 July 2024 and the balance sheet was signed on the board's behalf by S C Dee. BP Oil International Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 00322365) under the Companies Act 2006. The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, 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.

Principal activity

The company acts as an agent for fellow bp group subsidiaries in the acquisition, transportation, storage, processing and marketing of crude oil and petroleum products as well as in the buying, selling, dealing and underwriting of future and option contracts related to the same commodities.

2. Material accounting policy information, significant judgements, estimates and assumptions

The material accounting policy information 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.

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared under the historical cost convention in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2006. 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 paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- (b) 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;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) 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;
- (e) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- (f) 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;
- (g) 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;

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information, significant judgements, estimates and assumptions (continued)

Basis of preparation (continued)

- (h) 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;
- (i) the requirements of paragraphs 88C and 88D of IAS 12 Income Taxes.

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 15.

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

Material accounting policy information: use of judgements, estimates and assumptions

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

There were no critical accounting judgements or estimates identified that would have a significant impact on the amounts recognized in the financial statements, or create a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Material accounting policy information

Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The current economic and geopolitical environment were considered as part of the going concern assessment.

Liquidity and financing are managed within the bp group under pooled group-wide arrangements which include the company. As part of the going concern basis of preparation for the company, the ability and intent of the bp group to support the company has also been taken into consideration. The most recent bp group financial statements continue to be prepared on a going concern basis. Forecast liquidity of the bp group has been assessed under a number of stressed scenarios, including a significant decline in oil prices over the 12-month period from the date these financial statements were approved. Reverse stress tests performed indicated that the bp group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero. In addition, bp group management have confirmed 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. No material uncertainties over going concern or significant judgements or estimates on the assessment were identified. Accordingly, the company will be able to draw on support from the bp group for the foreseeable future and these financial statements have therefore been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information, significant judgements, estimates and assumptions (continued)

Going concern (continued)

BP Oil International Limited is in a net assets and net current assets position and has ongoing funding arrangements with BP International Limited (BPI) to manage its working capital. This deposit exceeds the company's liabilities. The directors' assessment has taken into account the ability of both the company and bp group to ensure availability of funds at least twelve months from the date of approval of these financial statements.

In assessing the prospects of BP Oil International 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.

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 the company operates and is normally the currency in which the company primarily generates and expends cash.

Investments

Fixed asset investments are stated in the financial statements at cost less provisions for impairment. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information, significant judgements, estimates and assumptions (continued)

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 amortised cost. This category of financial assets includes amounts owed from group undertakings.

Impairment of financial assets measured at amortized cost

The company assesses on a forward-looking basis the expected credit losses associated with financial assets 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 other in-scope financial assets is less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the company. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the company expects to receive, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognized in the profit and loss account.

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

Financial liabilities

Financial liabilities are recognized when the company becomes party to the contractual provisions of the instrument. The company derecognizes financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. 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.

After initial recognition, these financial liabilities are subsequently measured at amortized cost. This category of financial liabilities includes amounts owed to group undertakings.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information, significant judgements, estimates and assumptions (continued)

Taxation

Income tax expense represents the current 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.

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.

Turnover

Where the company acts as agent on behalf of the parent company to procure or market energy commodities, any associated fee income is recognized but no purchase or sale is recorded.

Interest income

Interest income is recognized as the interest accrues.

Finance costs

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

Updates to material accounting policy information

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information, significant judgements, estimates and assumptions (continued)

Updates to material accounting policy information (continued)

**Amendments to IAS 1
Presentation of Financial
Statements and IFRS Practice
Statement 2 Making
Materiality Judgements—
Disclosure of Accounting
Policies**

The company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

**Amendments to IAS 12
Income Taxes— International
Tax Reform — Pillar Two
Model Rules**

The company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Impact of new International Financial Reporting Standards

The following pronouncements from the IASB have not been adopted by the company in these financial statements as they will only become effective for future financial reporting periods. There are no other standards, amendments or interpretations in issue but not yet adopted that the directors anticipate will have a material effect on the reported income or net assets of the company.

NOTES TO THE FINANCIAL STATEMENTS**2. Material accounting policy information, significant judgements, estimates and assumptions (continued)****IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules**

In May 2023 the IASB issued International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12 Income Taxes to clarify the application of IAS 12 to tax legislation enacted or substantively enacted to implement Pillar Two of the Organisation for Economic Co-operation and Development’s Base Erosion and Profit Shifting project, which aims to address the tax challenges arising from the digitalisation of the economy. The amendments include a mandatory temporary exception from accounting for deferred tax on such tax law. In July 2023 the UK government enacted legislation to implement the Pillar Two rules. The legislation is effective for bp from 1 January 2024 and includes an income inclusion rule and a domestic minimum tax, which together are designed to ensure a minimum effective tax rate of 15% in each country in which the group operates. Similar legislation is being enacted by other governments around the world. In line with the amendments to IAS 12, the exception from accounting for deferred tax for the Pillar Two rules has been applied and there are no impacts on the financial statements for 2023.

3. Turnover

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

	2023	2022
	£000	£000
Agency fees	500	500

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

	2023	2022
	£000	£000
Class of business:		
Other businesses and corporate	500	500

The country of origin and destination is entirely the UK geographic area.

4. Auditor’s remuneration

	2023	2022
	£000	£000
Fees for the audit of the company’s financial statements	14	12

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

The audit fees were borne by another group company.

5. Interest receivable and similar income

	2023	2022
	£000	£000
Interest income from amounts owed from group undertakings	7,076	2,370

NOTES TO THE FINANCIAL STATEMENTS**6. Interest payable and similar expenses**

	<u>2023</u>	<u>2022</u>
	£000	£000
Interest expense payable to BP Finance p.l.c	<u>3</u>	<u>8</u>

On 7 August 2009 BP Finance p.l.c. (BPF) entered into a guarantee agreement (the Agreement) with Standard Bank p.l.c. for all trading activities with the company. In respect of the Agreement, BPF unconditionally and irrevocably guarantees the full and prompt payment arranged by the company up to an aggregate maximum liability of \$50,000,000 (the Amount). In consideration of the benefit to be gained by BP Oil International Limited from entering into the Agreement, the company shall pay BPF a guarantee fee of 2.0 basis points payable yearly in arrears, for so long as the guarantee is outstanding.

7. Taxation

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

The company has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The company has no current or deferred tax charge or credit in the profit or loss account for the year.

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 23.5% for the year ended 31 December 2023 (2022 19.0%). The differences are reconciled below:

	<u>2023</u>	<u>2022</u>
	£000	£000
Profit before taxation	7,573	2,862
Tax charge	—	—
Effective tax rate	— %	— %
	<u>2023</u>	<u>2022</u>
	%	%
UK statutory corporation tax rate:	23.5	19.0
Decrease resulting from:		
Free group relief	<u>(23.5)</u>	<u>(19.0)</u>
Effective tax rate	<u>—</u>	<u>—</u>

Change in corporation tax rate

On 3 March 2021, the UK Government announced an increase in the UK's main corporation tax rate from 19% to 25%, effective from 1 April 2023. This will increase the company's future current tax charge accordingly. This rate change was substantively enacted on 24 May 2021. There is no impact of this rate change on the company's deferred tax position as the company had no deferred tax balances, recognized or unrecognized, at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

8. Directors and employees

(a) Remuneration of directors

None of the directors received any fees or remuneration for qualifying services as a director of the company during the financial year (2022 £Nil).

(b) Employee costs

The company had no employees during the year (2022 None).

9. Investments

	<u>Other investments</u>
	£000
Cost	
At 1 January 2022	15
At 31 December 2022	<u>15</u>
At 1 January 2023	15
At 31 December 2023	<u>15</u>
Impairment losses	
At 1 January 2022	(15)
At 31 December 2022	<u>(15)</u>
At 1 January 2023	(15)
At 31 December 2023	<u>(15)</u>
Net book amount	
At 31 December 2023	<u>—</u>
At 31 December 2022	<u>—</u>

The investment is stated at cost less provision for impairment. The associated undertaking is unlisted.

Associated undertakings

Related undertaking	Holding %	Registered address	Direct / indirect
Routex B.V.	25	Strawinskylaan 1725 1077 XX Amsterdam Netherlands	Direct

10. Debtors

Amounts falling due within one year:

	<u>2023</u>	<u>2022</u>
	£000	£000
Amounts owed from group undertakings	<u>156,039</u>	<u>148,471</u>

Included within the amounts owed from group undertakings is an Internal Funding Account (IFA) of £155,539,000 receivable from BP International Limited (2022 £147,971,000).

NOTES TO THE FINANCIAL STATEMENTS**10. Debtors (continued)**

This balance forms a key part of the bp group's liquidity and funding arrangements under its centralised treasury funding model and it can be accessed by BP International Limited at short notice. Whilst IFA balances are legally repayable on demand, in practice they have no termination date.

Interest is accrued on a monthly basis based on overnight SONIA plus 6 basis points.

Prior to 2023, the main benchmark interest rate to which the company was exposed was 1 month GBP LIBOR, primarily in relation to finance debt. During 2023, bp's internal working group for IBOR reform continued to monitor market developments and managed to transition to alternative benchmark rates. Publication of LIBOR tenors, including 1 month GBP LIBOR, ceased from 30 June 2023. For further information in relation to LIBOR transition see Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2023.

11. Creditors

Amounts falling due within one year:

	<u>2023</u>	<u>2022</u>
	£000	£000
Amounts owed to group undertakings	<u>1</u>	<u>6</u>

12. Called up share capital

	<u>2023</u>	<u>2022</u>
	£000	£000
Issued and fully paid:		
125,000,000 ordinary shares of £1 each for a total nominal value of £125,000,000	<u>125,000</u>	<u>125,000</u>

13. Reserves*Called up share capital*

The balance on the called up share capital account represents the aggregate nominal value of all ordinary shares in issue.

Profit and loss account

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

14. 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.

15. 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 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.