

BP CHEMICALS LIMITED

(Registered No.00194971)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

Board of Directors: C A McCann
 N C Dunn
 T M Thornton

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

STRATEGIC REPORT**Results**

The profit for the year after taxation was £37,113,000 which, when added to the retained profit brought forward at 1 January 2019 of £87,770,000, gives a total retained profit carried forward at 31 December 2019 of £124,883,000.

Principal activities and review of the business

The company and its subsidiary undertakings operate chemicals and plastics manufacturing assets, as well as conducting related research activities.

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

	2019	2018	Variance
	£000	£000	%
Turnover	48,709	47,035	4
Operating profit	38,060	13,534	181
Profit for the year	37,113	13,265	180
Total equity	146,107	108,994	34

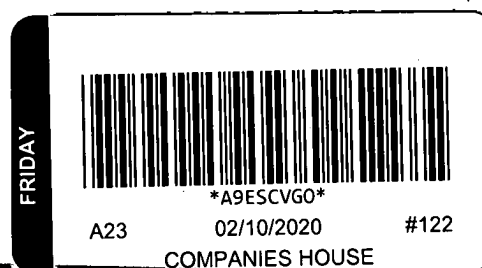
Operating profit and profit for the year increased mainly due to higher dividend income received from BP Chemicals (Korea) Limited of £33,000,000 (2018 £10,000,000).

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.

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.



STRATEGIC REPORT

Section 172 (1) statement (continued)

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

Major project delivery

Failure to invest in the best opportunities or deliver major projects successfully could adversely affect the company's financial performance.

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)

Climate change and the transition to a lower carbon economy

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

Insurance

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

Safety and operational risks

Process safety, personal safety and environmental risks

The company is exposed to a wide range of health, safety, security and environmental risks that could cause harm to people, the environment, the company's assets and result in regulatory action, legal liability, business interruption, increased costs, damage to its reputation and potentially denial of its licence to operate.

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

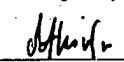
Failure to accurately report the company's data could lead to regulatory action, legal liability and reputational damage.

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 risk relating to foreign currency exchange rates. Further details on these financial risks are included within Note 29 of the BP group Annual Report and Form 20-F for the year ended 31 December 2019.

Authorized for issue by Order of the Board

DocuSigned by:


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For and on behalf of
Sunbury Secretaries Limited
Company Secretary

30 September 2020

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

DIRECTORS' REPORT**BP CHEMICALS LIMITED****Directors**

The present directors are listed on page 1.

C A McCann and T M Thornton served as directors throughout the financial year. Changes since 1 January 2019 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
N C Dunn	21 February 2019	—
A C Williamson	—	21 February 2019

Directors' indemnity

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

Dividends

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

Financial instruments

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

Post balance sheet events

On 29 June 2020 BP announced that it has agreed to sell its global petrochemicals business, including assets in BP Chemicals Limited, to INEOS for a total consideration of \$5 billion, subject to customary adjustments. Whilst the entity itself is not part of the sale, all of the significant business activities and investments currently held by BP Chemicals Limited will be transferred to INEOS. The sale agreement includes the whole of BP's aromatic and acetyls businesses, including assets, technology and licences. Subject to regulatory and other approvals, the transaction is expected to complete by the end of 2020.

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. Whilst the onset of COVID-19 after the balance sheet has caused significant economic uncertainty, the directors do not believe that the company is likely to be impacted given it will cease trading once the assets of the company is acquired by INEOS. The directors continue to expect that the company's asset carrying value will be recovered in full and has been prepared on a basis other than going concern. Further details are provided under Going Concern below.

Both of these are non-adjusting events for the financial statements for the period ending 31 December 2019.

DIRECTORS' REPORT

Going concern

Subject to regulatory and other approvals, INEOS are acquiring the assets of the company as part of the global petrochemicals transaction. Whilst the company is not being sold, all the significant business activities and investments currently held by BP Chemicals Limited will be transferred to INEOS. After the transfer, the company will cease trading.

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

Future developments

On 29 June 2020, BP announced that it has agreed to sell its global petrochemicals business, including assets in BP Chemicals Limited, to INEOS. Subject to regulatory and other approvals, the transaction is expected to complete by the end of 2020. Upon completion of transaction, the company will cease trading.

Research and development

The company has research centre that carries out a varying number of tasks including product support, development of existing products and research into new innovative technology.

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.

DIRECTORS' REPORT**Stakeholder statements (continued)****Employee engagement (continued)**

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.

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' REPORT

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


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

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

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

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For and on behalf of
Sunbury Secretaries Limited
Company Secretary

30 September 2020

Registered Office:

Chertsey Road
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TW16 7BP
United Kingdom

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

BP CHEMICALS 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 CHEMICALS LIMITED****Report on the audit of the financial statements****Opinion**

In our opinion the financial statements of BP Chemicals 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 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; and
- the related notes 1 to 17.

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

Basis for opinion

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

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

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

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

Other information

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

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

We have nothing to report in respect of these matters.

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.

INDEPENDENT AUDITOR'S REPORT

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

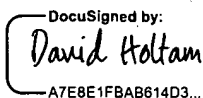
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or

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.

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David Holtam FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP Statutory Auditor
London, United Kingdom
30 September 2020

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

		<u>2019</u>	<u>2018</u>
	Note	£000	£000
Turnover	3	48,709	47,035
Dividend income		33,000	10,000
Administrative expenses		(44,408)	(44,223)
Other operating income	3	759	722
Operating profit	4	38,060	13,534
Tax on profit	6	(947)	(269)
Profit for the year		<u>37,113</u>	<u>13,265</u>

The profit of £37,113,000 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 profit for the year.

BALANCE SHEET**AS AT 31 DECEMBER 2019****BP CHEMICALS LIMITED****(Registered No.00194971)**

	Note	2019 £000	2018 £000
Fixed assets			
Investments	8	—	82,636
Current assets			
Investments	8	87,571	—
Debtors: amounts falling due within one year	9	63,035	30,109
Cash at bank and in hand		394	460
		151,000	30,569
Creditors: amounts falling due within one year	10	(4,893)	(4,211)
Net current assets		146,107	26,358
NET ASSETS		<u>146,107</u>	<u>108,994</u>
Capital and reserves			
Called up share capital	11	12,500	12,500
Share premium account	12	8,724	8,724
Profit and loss account	12	124,883	87,770
TOTAL EQUITY		<u>146,107</u>	<u>108,994</u>

Authorized for issue on behalf of the Board

DocuSigned by:

Thornton, Terry M

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T M Thornton

Director

29 September 2020

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

	Called up share capital (Note 11)	Share premium account (Note 12)	Profit and loss account (Note 12)	Total
	£000	£000	£000	£000
Balance at 1 January 2018	12,500	8,724	74,505	95,729
Profit for the year, representing total comprehensive income	—	—	13,265	13,265
Balance at 31 December 2018	12,500	8,724	87,770	108,994
Profit for the year, representing total comprehensive income	—	—	37,113	37,113
Balance at 31 December 2019	12,500	8,724	124,883	146,107

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2019****BP CHEMICALS 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 Chemicals Limited for the year ended 31 December 2019 were approved by the board of directors on 11 September 2020 and the balance sheet was signed on the board's behalf by T M Thornton. BP Chemicals Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 00194971). The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

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 on a basis other than that of a going concern and all balance sheet items have been moved to current and have been presented at the net realisable value as at the end of the reporting period.

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

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 17 to the financial statements.

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

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures
- (b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement
- (c) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements
- (d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- (e) the requirements of IAS 7 Statement of Cash Flows
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective
- (g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- (h) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- (i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c)-135(e) of IAS 36, Impairment of Assets
- (j) the requirement of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers

NOTES TO THE FINANCIAL STATEMENTS

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

Basis of preparation (continued)

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

The financial statements are presented in 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

Subject to regulatory and other approvals, INEOS are acquiring the assets of the company as part of the global petrochemicals transaction. Whilst the company is not being sold, all the significant business activities and investments currently held by BP Chemicals Limited will be transferred to INEOS. After the transfer, the company will cease trading.

The financial statements have been prepared on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All balance sheet items have been presented at the net realizable value as at the end of the reporting period. The company remains in a net asset position and has the ability to meet all the company's liabilities as they fall due.

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 ("GBP"). The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Where this is not practical and exchange rates do not fluctuate materially the average rate has been used. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot exchange on the balance sheet date. Any resulting exchange differences are included in the profit and loss account, unless hedge accounting is applied. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

Investments

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

NOTES TO THE FINANCIAL STATEMENTS

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

Investments (continued)

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

Interests in associates

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

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, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products.

For value in use calculations, future cash flows are adjusted for risks specific to the cash-generating unit and are discounted using a pre-tax discount rate. The pre-tax discount rate is based upon the cost of funding the group derived from an established model, adjusted to a pre-tax basis. Fair value less costs of disposal calculations use the post-tax discount rate. The discount rates applied in impairment tests are reassessed each year.

In 2018 the post-tax discount rate used was 6% (2018 6%) and the pre-tax discount rate was 9% (2017 9%). Where the asset is located in a country which is judged to be higher risk an additional 2% premium was added to the discount rate (2018 2%). The judgement of classifying a country as higher risk takes into account various economic and geopolitical factors.

In cases where fair value less costs to sell is used to determine the recoverable amount of an asset, where recent market transactions for the asset are not available for reference, accounting judgements are made about the assumptions market participants would use when pricing the asset. Fair value less costs to sell may be determined based on similar recent market transaction data or using discounted cash flow techniques. Where discounted cash flow analyses are used to calculate fair value less costs to sell, estimates are made about the assumptions market participants would use when pricing the asset and the test is performed on a post-tax basis.

Financial assets

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

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

Financial assets measured at amortized cost

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

NOTES TO THE FINANCIAL STATEMENTS**2. Significant accounting policies, judgements, estimates and assumptions (continued)****Impairment of financial assets measured at amortized cost**

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

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

Financial liabilities

The measurement of financial liabilities is as follows:

Financial liabilities measured at amortized cost

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

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

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.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized in the profit and loss account. Provisions are discounted using a nominal discount rate of 2.5% (2018 3.0%).

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

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

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. The accounting policies for pensions and other post-retirement benefits are described below.

Pensions

The sponsoring employer for the BP Pension Fund is BP p.l.c. The directors have assessed in accordance with IAS 19 Employee Benefits that BP Plc applies defined benefit pension accounting for this defined benefit plan that shares risks between entities under common control. There is no contractual agreement or stated policy in place for charging to individual group entities. The net defined benefit cost for the plan as a whole is measured in accordance with IAS 19 and as a result, the Company recognizes only a cost equal to the contribution payable for the period as if they were contributions to a defined contribution scheme. Relevant disclosures in relation to the plan are included in the accounts of BP p.l.c.

In the BP p.l.c. accounts, pension plan assets are measured at fair value and pension plan liabilities are measured on an actuarial basis using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the plan liabilities. Actuarial gains and losses are recognized in full in this company's statement of total recognized gains and losses in the period in which they occur.

Taxation

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

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

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

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

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.

Turnover

Revenue from contracts with customers is recognized when or as the company satisfies a performance obligation of a promised service to a customer. 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.

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

Royalty revenues are recognized on an accrual basis in accordance with the substance of the relevant agreement and when it can be reliably measured.

Dividend income

Dividend income from investments is recognized when the shareholders' right to receive the payment is established.

Research costs

Research costs are expensed as incurred.

Impact of new International Financial Reporting Standards

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

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

3. Turnover

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

	2019	2018
	£000	£000
Revenue from contracts with customers	45,077	44,817
Royalty revenues	3,632	2,218
	48,709	47,035
Other operating income	759	722
	49,468	47,757

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

	2019	2018
	£000	£000
By geographical area:		
UK	45,077	44,817
USA	1,519	1,537
Rest of World	2,113	681
Total	48,709	47,035

4. Operating profit

This is stated after charging:

	2019	2018
	£000	£000
Net foreign exchange losses ^a	391	703
Research costs expensed ^a	15,654	13,758

^a Amount is included in Administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS**5. Auditor's remuneration**

	2019	2018
	£000	£000
Fees for the audit of the company	7	7

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

The fees were borne by another group company.

6. 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	759	137
Overseas tax on income for the year	47	45
Total current tax charged	806	182
<u>Deferred tax</u>		
Origination and reversal of temporary differences	141	87
Tax charged on profit	947	269

(a) Reconciliation of the effective tax rate

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

	2019	2018
	£000	£000
Profit before tax	38,060	13,534
Tax charge	947	269
Effective tax rate	2%	2%
	2019	2018
	%	%
UK corporation tax rate:	19	19
Increase / (decrease) resulting from:		
Non-taxable income	(17)	(15)
Free group relief	(1)	(3)
Movements in unrecognised deferred tax	1	—
R&D expenditure credits	—	1
Effective tax rate	2	2

NOTES TO THE FINANCIAL STATEMENTS**6. Taxation (continued)****(a) Reconciliation of the effective tax rate (continued)****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
	£000	£000	£000	£000
<u>Deferred tax asset</u>				
Other deductible temporary differences	141	87	—	141

Analysis of movements during the year

	2019
	£000
At 1 January 2019	141
Deferred tax charge in the profit and loss account	(141)
At 31 December 2019	—

Deferred tax has not been recognised on £2,880,696 of deductible temporary differences (2018 £2,880,696) relating to connected party capital losses with no fixed expiry date and other short-term temporary differences of £1,003,020 which are not expected to give rise any future tax benefit.

7. Directors and employees**(a) Remuneration of directors**

None (2018 One) of the directors received any fees or remuneration for qualifying services as a director of the company during the financial year (2018 £140,800).

(b) Employee costs

	2019	2018
	£000	£000
Wages and salaries	28,484	28,636
Social security costs	3,269	3,104
Other pension costs	3,750	4,593
	<u>35,503</u>	<u>36,333</u>

(c) The average monthly number of employees during the year was 339 (2018 361).

	2019	2018
	No.	No.
Downstream - UK	<u>339</u>	<u>361</u>

NOTES TO THE FINANCIAL STATEMENTS**8. Investments**

	Investment in subsidiaries	Investment in associates	Total
Cost	£000	£000	£000
At 1 January 2018	74,187	12,851	87,038
Additions	—	810	810
At 31 December 2018	<u>74,187</u>	<u>13,661</u>	<u>87,848</u>
At 1 January 2019	74,187	13,661	87,848
Additions	—	4,935	4,935
At 31 December 2019	<u>74,187</u>	<u>18,596</u>	<u>92,783</u>
Impairment losses			
At 1 January 2018	5,212	—	5,212
At 31 December 2018	<u>5,212</u>	<u>—</u>	<u>5,212</u>
At 1 January 2019	5,212	—	5,212
At 31 December 2019	<u>5,212</u>	<u>—</u>	<u>5,212</u>
Net book amount			
At 31 December 2019	<u>68,975</u>	<u>18,596</u>	<u>87,571</u>
At 31 December 2018	<u>68,975</u>	<u>13,661</u>	<u>82,636</u>

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

The investments in the subsidiary and associated undertakings are unlisted.

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

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

Subsidiary undertakings

Company name	Class of share held	%	Registered address	Principal activity
BXL Plastics Limited	Deferred & Ordinary shares	100%	Chertsey Road Sunbury on Thames Middlesex TW16 7BP United Kingdom	Plastics
BP Chemicals (Korea) Limited	Ordinary shares	100%	Chertsey Road Sunbury on Thames Middlesex TW16 7BP United Kingdom	Chemicals
BP World-Wide Technical Services Limited	Ordinary shares	100%	Chertsey Road Sunbury on Thames Middlesex TW16 7BP United Kingdom	Chemicals

NOTES TO THE FINANCIAL STATEMENTS**8. Investments (continued)****Associated undertakings**

Company name	Class of share held	%	Registered address	Principal activity
Tricoya Ventures UK Limited	Ordinary shares	31%	Brettenham House, 19 Lancaster Place, London, England, WC2E 7EN, United Kingdom	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials; engineering design activities for industrial process and production

Significant holdings in undertakings other than subsidiary undertakings

In accordance with Section 409 of the Companies Act 2006, disclosed below is a full list of related undertakings in which the company holds an interest of 20% or greater not already disclosed above.

Related undertaking	Holding %	Registered address	Direct / indirect
LOTTE BP Chemical Co., Ltd	51%	2-2 Sangnam-ri Chungryang-myun Ulju-gun Ulsan 689-863 Republic of Korea	Indirect

9. Debtors

Amounts falling due within one year:

	2019	2018
	£000	£000
Amounts owed from parent undertakings	25,393	24,173
Amounts owed from fellow subsidiaries	33,000	—
Taxation	4,642	5,795
Deferred tax	—	141
	63,035	30,109

10. Creditors

Amounts falling due within one year:

	2019	2018
	£000	£000
Accruals	4,893	4,211
	4,893	4,211

11. Called up share capital

	2019	2018
	£000	£000
Issued and fully paid:		
12,500,000 ordinary shares of £1 each for a total nominal value of £12,500,000	12,500	12,500

NOTES TO THE FINANCIAL STATEMENTS**12. 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 retained profits of the company.

13. Contingent liability

On 6 March 2017, a Sale & Purchase Agreement was executed between BP Chemicals Limited (BPCL), BP International Limited (BPI), and Px Limited in relation to the sale of Saltend Chemicals Park. Under the terms of the arrangements for Saltend Chemicals Park, BP retained liability for environmental remediation where such remediation is required as a consequence of the actions of BP in its capacity as former tenant of the Saltend Chemicals Plant site. Any such liabilities will be borne by BPI and accordingly are not recognised within the financial statements of BPCL.

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.

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

Related party	Sales to related party £000
BP YPC Acetyls Company (Nanjing) Limited	
Joint venture	
Chemicals	
2019	1,316
2018	74
Yangtze River Acetyls Co., Ltd	
Joint venture	
Chemicals	
2019	192
2018	194
LOTTE BP Chemical Co., Ltd	
Joint venture	
Chemicals	
2019	188
2018	189

NOTES TO THE FINANCIAL STATEMENTS**14. Related party transactions (continued)**

Related party	Sales to related party
	<u>£000</u>
Formosa BP Chemicals Corporation	
Joint venture	
Chemicals	
2019	236
2018	39
BP Petronas Acetyls Sdn. Bhd.	
Joint venture	
Chemicals	
2019	182
2018	185

15. Post balance sheet events

On 29 June 2020 BP announced that it has agreed to sell its global petrochemicals business, including assets in BP Chemicals Limited, to INEOS for a total consideration of \$5 billion, subject to customary adjustments. Whilst the entity itself is not part of the sale, all of the significant business activities and investments currently held by BP Chemicals Limited will be transferred to INEOS. The sale agreement includes the whole of BP's aromatic and acetyls businesses, including assets, technology and licences. Subject to regulatory and other approvals, the transaction is expected to complete by the end of 2020.

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. Whilst the onset of COVID-19 after the balance sheet has caused significant economic uncertainty, the directors do not believe that the company is likely to be impacted given it will cease trading once the assets of the company is acquired by INEOS. The directors continue to expect that the company's asset carrying value will be recovered in full and has been prepared on a basis other than going concern. Further details are provided under Going Concern below.

Both of these are non-adjusting events for the financial statements for the period ending 31 December 2019.

16. Pensions

The company is a participating employer in the BP Pension Fund. The BP Pension Fund is separately funded and provides benefits that are computed based on an employee's years of service and final pensionable salary. The level of contributions made to the BP Pension Fund is the amount needed to provide adequate funds to meet pension obligations as they fall due, and are based on pension costs in respect of all members of the fund.

The obligation and the cost of providing pensions are assessed annually using the projected unit credit method. The date of the latest formal actuarial valuation for the BP Pension Fund was 31 December 2017. The date of the most recent actuarial review was 31 December 2019. During 2019, employer contributions of £170m (2018: £357m) and member contributions of £5m (2018: £5m) were made to the BP Pension Fund. Most of the contributions made by the plan participants after 1 January 2010 into the BP Pension Fund were made under salary sacrifice.

NOTES TO THE FINANCIAL STATEMENTS**16. Pensions (continued)**

The BP Pension Fund is operated in a way that does not allow the individual participating employing companies in the Pension Fund to identify their share of the underlying assets and liabilities of the fund. Therefore the company's payments in respect of pension current service cost have been accounted for as an expense as if they were contributions to a defined contribution scheme and no further FRS 101 disclosures are made in these accounts.

The results of the most recent actuarial valuation of the BP Pension Fund as at 31 December 2017, have been reflected into the disclosures required by FRS 101 for the year ended 31 December 2019, and are included within the accounts of the ultimate parent undertaking BP p.l.c.

In the BP p.l.c. accounts, pension plan assets are measured at fair value and pension plan liabilities are measured on an actuarial basis using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the plan liabilities. Remeasurements of the defined benefit liability and asset, comprising actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest) are recognised within this company's statement of total recognised gains and losses in the period in which they occur.

17. Immediate and ultimate controlling parent undertaking

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