

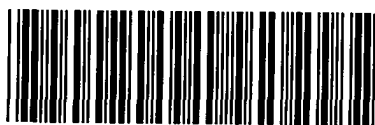
**BP INVESTMENT MANAGEMENT LIMITED**

(Registered No.00321630)

**ANNUAL REPORT AND ACCOUNTS 2014**

COMPANIES HOUSE

Board of Directors: N M H Bamfield  
A G G Bantock  
J C Bearman  
M E Stageman  
I M G Prosser  
A H Haywood



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24/04/2015

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COMPANIES HOUSE

The directors present the strategic report, their report and the accounts for the year ended 31 December 2014.

**STRATEGIC REPORT**

**Results**

The profit for the year after taxation was £231,991 which, when added to the retained profit brought forward at 1 January 2014 of £1,523,100, gives a total retained profit carried forward at 31 December 2014 of £1,755,091.

**Principal activity and review of the business**

The company is FCA authorised as an Occupational Pension Scheme firm in order that it can provide investment advice to, and perform investment management for, BP Pension Trustees Limited, the Trustee of the BP Pension Fund. These services are provided under the Investment Management Agreement dated 8<sup>th</sup> October 2014 (replacing one dated 17<sup>th</sup> July 2012), and the Investment Management Agreement – Further Extension of Temporary Arrangements for Investment Guidelines dated 19<sup>th</sup> March 2015 and 1<sup>st</sup> December 2014.

The company does not hold cash or hold any investments in its own right. All services performed by the company are provided by staff seconded from BP International Limited.

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

	<u>2014</u>	<u>2013</u>	<u>Variance</u>
	£	£	%
Profit for the year	231,991	170,036	36
Total equity	51,764,827	51,533,100	0
	<u>2014</u>	<u>2013</u>	<u>Variance</u>
	%	%	
Quick ratio*	1,953	1,577	376

\*Quick ratio is defined as current assets, excluding stock and debtors receivable after one year, as a percentage of current liabilities.

All expenses incurred by the company are recharged to the BP Pension Fund without mark-up.

Profit after tax represents interest receivable and the increase is primarily due to a higher interest rate since June 2014.

**BP INVESTMENT MANAGEMENT LIMITED**

**STRATEGIC REPORT**

**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 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 2014.

**Gulf of Mexico oil spill**

The Gulf of Mexico oil spill has had and could continue to have a material adverse impact on BP as a group, and consequently may also have an adverse impact on the company.

**Strategic and commercial risk**

***Insurance***

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

**Compliance and control risks**

***US government settlements***

The BP group's settlements with legal and regulatory bodies in the US in respect of certain charges related to the Gulf of Mexico oil spill may expose the BP group to further penalties, liabilities and private litigation, which in turn could have adverse impacts on the company or could result in suspension or debarment of the company.

***Reporting***

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

**BP INVESTMENT MANAGEMENT LIMITED**

**STRATEGIC REPORT**

**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. BP Investment Management Limited is an active investment manager and seeks to anticipate such developments in global economies in the investment strategy adopted for the BP Pension Fund. The company's primary risk could be that the firm underperformed to the extent that its only client, BP Pension Trustees Limited, terminates its contract with BP Investment Management Limited.

By Order of the Board



For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

20 APRIL 2015

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **BP INVESTMENT MANAGEMENT LIMITED**

### **DIRECTORS' REPORT**

#### **Directors**

The present directors are listed on page 1.

N M H Bamfield, A G G Bantock and J C Bearman served as directors throughout the financial year. Changes since 1 January 2014 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
D J Bucknall	-	11 December 2014
M E Stageman	5 December 2014	-
I M G Prosser	5 December 2014	-
A H Haywood	22 December 2014	-

#### **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 company's directors remain in force at the date of this report.

#### **Dividends**

The company has not declared any dividends during the year (2013: £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 Companies and Group Regulations 2008 in the strategic report under Financial risk management.

#### **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.

**BP INVESTMENT MANAGEMENT LIMITED**

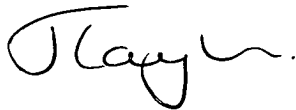
**DIRECTORS' REPORT**

**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 their 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.

By Order of the Board



For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

20 APRIL 2015

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **BP INVESTMENT MANAGEMENT LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable 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 applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice). 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 accounts, the directors are required to:

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

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

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

**BP INVESTMENT MANAGEMENT LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BP INVESTMENT MANAGEMENT LIMITED**

We have audited the financial statements of BP Investment Management Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and 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 (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

**Ernst & Young LLP**

Jacqueline Ann Geary (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor

London  
**23 April** 2015

**BP INVESTMENT MANAGEMENT LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

		<u>2014</u>	<u>2013</u>
	Note	£	£
<b>Turnover</b>	<b>2</b>	14,494,918	14,812,202
Administrative expenses		(14,494,918)	(14,812,202)
<b>Operating result</b>	<b>3</b>	-	-
Interest receivable and similar income	<b>5</b>	231,727	170,036
<b>Profit before taxation</b>		231,727	170,036
Taxation	<b>6</b>	264	-
<b>Profit for the year</b>		<u>231,991</u>	<u>170,036</u>

The profit of £231,991 for the year ended 31 December 2014 was derived in its entirety from continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

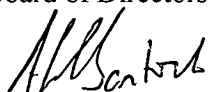
There are no recognised gains or losses attributable to the shareholders of the company other than the profit for the year.



**BP INVESTMENT MANAGEMENT LIMITED****(Registered No.00321630)****BALANCE SHEET AT 31 DECEMBER 2014**

	Note	<u>2014</u> £	<u>2013</u> £
<b>Current assets</b>			
Debtors	8	54,558,180	55,021,949
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,793,089)</u>	<u>(3,488,849)</u>
<b>Net current assets</b>		<u>51,765,091</u>	<u>51,533,100</u>
<b>NET ASSETS</b>		<u>51,765,091</u>	<u>51,533,100</u>
<b>Capital and reserves</b>			
Called up share capital	10	50,010,000	50,010,000
Profit and loss account	11	1,755,091	1,523,100
<b>TOTAL EQUITY</b>		<u>51,765,091</u>	<u>51,533,100</u>

The financial statements of BP Investment Management Limited were approved for issue by the Board of Directors on 16th April 2015 and were signed on its behalf by:



A G G Bantock  
Director

20 APRIL 2015

**BP INVESTMENT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. Accounting policies**

The principal accounting policies are set out below and have been applied consistently throughout the year.

**Accounting standards**

These accounts are prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable UK accounting standards.

**Accounting convention**

The accounts are prepared under the historical cost convention. The accounts are prepared on the accruals basis and include liabilities and sums receivable in respect of the year to 31 December 2014.

**Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and the financial statements have therefore been prepared under the going concern basis.

**Cash flow statement and related party disclosures**

The group accounts of the ultimate parent undertaking, which are publicly available, contain a consolidated cash flow statement. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash Flow Statements" (Revised 1996). The company is also exempt under the terms of FRS 8 "Related Party Disclosures" from disclosing related party transactions with entities that are wholly-owned members of the BP group. For details of other related party transactions see Note 13.

**Turnover**

Turnover represents expenses incurred by the company which are recharged to the BP Pension Fund without mark-up.

**Foreign currency**

The functional and presentation currency of the financial statements is GBP sterling. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are included in the profit and loss account.

**Interest income**

Interest income is recognised as the interest accrues.

**BP INVESTMENT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. Accounting policies (continued)**

**Trade and other debtors**

Trade and other debtors are carried at the original invoice amount, less allowances made for doubtful receivables. Provision is made when there is objective evidence that the company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

**Trade and other creditors**

Trade and other creditors are carried at payment or settlement amounts. If the effect of the time value of money is material, trade and other creditors are determined by discounting the expected future cash flows at a pre-tax rate.

**Deferred tax**

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, tax in the future. In particular:

- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Investment management fees**

Investment management fees payable to fund managers and custodians, and recoverable from the BP Pension Fund are recognised on an accruals basis.

**Use of estimates**

The preparation of accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

**2. Turnover**

Turnover, which is stated net of value added tax, represents expenses incurred by the company which are recharged to BP Pension Fund without mark-up, all of which falls within the UK geographical area.

**BP INVESTMENT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**3. Operating result**

This is stated after charging:

	<u>2014</u>	<u>2013</u>
	£	£
Currency exchange losses	<u>11,237</u>	<u>9,354</u>

**4. Auditor's remuneration**

	<u>2014</u>	<u>2013</u>
	£	£
Fees for the audit of the company	<u>19,521</u>	<u>18,872</u>

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of BP Investment Management 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.

**5. Interest receivable and similar income**

	<u>2014</u>	<u>2013</u>
	£	£
Interest income from group undertakings	<u>231,727</u>	<u>170,036</u>

**6. Taxation**

The company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010. In the prior year, no UK corporation tax had been provided because another group company, BP International Limited, had undertaken to procure the claim or surrender of group relief to the extent it was required and to provide for any current or deferred UK tax that arose without charge. During the period that agreement was terminated and as a result for 2014 UK corporation tax has been provided in this company.

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

	<u>2014</u>	<u>2013</u>
	£	£
<u>Deferred tax</u>		
Current year timing differences	<u>(264)</u>	<u>-</u>
Total deferred tax credited	<u>(264)</u>	<u>-</u>
Tax credited on profit on ordinary activities	<u>(264)</u>	<u>-</u>

**BP INVESTMENT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**6. Taxation (continued)**

**(a) Factors affecting the current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% for the year ended 31 December 2014 (2013 – 23%). The differences are reconciled below:

	<u>2014</u>	<u>2013</u>
	£	£
Profit before taxation	231,727	170,036
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2014</u>	<u>2013</u>
	%	%
UK statutory corporation tax rate:	21	23
Decrease resulting from:		
Free group relief	<u>(21)</u>	<u>(23)</u>
Effective current tax rate	<u>-</u>	<u>-</u>

The permanent and timing differences shown in the current tax rate reconciliation above are those that arise for UK corporation tax purposes, rather than overseas tax purposes.

**(b) Provision for deferred tax**

The deferred tax included in the balance sheet is as follows:

	<u>2014</u>	<u>2013</u>
	£	£
Other timing differences	<u>(264)</u>	-
Provision for deferred tax	<u>(264)</u>	-
		<u>2014</u>
		£
At 1 January 2014		-
Deferred tax credited in the profit and loss account		<u>(264)</u>
At 31 December 2014		<u>(264)</u>

**BP INVESTMENT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**7. Directors and employees**

**(a) Remuneration of directors**

The total remuneration for all serving directors for their period of directorship to the company amounted to £459,810 (2013: £341,695). A number of directors are senior executives of the BP p.l.c. Group and received no remuneration for services to this company.

One director was an active member of the defined benefit section of the BP Pension Fund as at 31 December 2014 (2013: One).

The highest paid director received £338,318 (2013: £242,542). The accrued pension of the highest paid director at 31 December 2014 was £Nil (2013: £Nil). The highest paid director did not exercise share options over BP p.l.c. shares during the year.

Three of the serving directors exercised share options over BP p.l.c. shares during the year (2013: None).

**(b) Employee costs**

The company had no employees during the year (2013: Nil).

(c) As a FCA regulated entity BP Investment Management Limited is subject to the provisions of the BIPRU Remuneration Code rules in the FCA Handbook. While the entity does not employ individuals directly, the Directors and other senior management employed by BP p.l.c. are registered as Approved Persons for BP Investment Management Limited under the FCA Approved Person regime and are therefore subject to the Remuneration Code rules, including disclosure requirements. For further information on how the company complies with the Remuneration Code please contact the Company Secretary's Office:

Company Secretary's Office  
BP p.l.c.  
1 St James's Square  
London  
SW1Y 4PD

Switchboard: +44 (0) 207 496 4000

**8. Debtors**

	<u>2014</u>	<u>2013</u>
	Within	Within
	1 year	1 year
	£	£
Trade debtors	3,347,080	140,698
Amounts owed by group undertakings	50,890,922	54,791,481
Other debtors	195,814	12,670
Prepayments and accrued income	124,100	77,100
Deferred tax	264	-
	<u>54,558,180</u>	<u>55,021,949</u>

**BP INVESTMENT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. Creditors**

	<u>2014</u>	<u>2013</u>
	Within	Within
	1 year	1 year
	£	£
Trade creditors	94,122	48,256
Amounts owed to group undertakings	9,267	27,946
Accruals	<u>2,689,700</u>	<u>3,412,647</u>
	<u>2,793,089</u>	<u>3,488,849</u>

**10. Called up share capital**

	<u>2014</u>	<u>2013</u>
	£	£
Issued and fully paid: 50,010,000 Ordinary shares of £1.00 each for a total nominal value of £50,010,000	<u>50,010,000</u>	<u>50,010,000</u>

**11. Capital and reserves**

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	£	£	£
At 1 January 2014	50,010,000	1,523,100	51,533,100
Profit for the year	-	231,991	231,991
At 31 December 2014	<u>50,010,000</u>	<u>1,755,091</u>	<u>51,765,091</u>

**12. Reconciliation of movements in total equity**

	<u>2014</u>	<u>2013</u>
	£	£
Profit for the year	<u>231,991</u>	<u>170,036</u>
Net increase in total equity	231,991	170,036
Total equity at 1 January	51,533,100	51,363,064
Total equity at 31 December	<u>51,765,091</u>	<u>51,533,100</u>

**13. Related party transactions**

The company has taken advantage of the exemption contained within FRS 8 "Related Party Disclosures", and has not disclosed transactions entered into with wholly-owned group companies. There were no other related party transactions in the year.

**BP INVESTMENT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**14. Pensions**

The company does not directly employ any staff and therefore does not directly bear any pension charge.

**15. Immediate and ultimate controlling parent undertaking**

The immediate parent undertaking is BP Pension Trustees Limited, a company registered in England and Wales, following BP International Limited's sale of its shareholding to BP Pension Trustees Limited which completed on 28 October 2014. 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 1 St James's Square, London, SW1Y 4PD.