Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

LUBRICANTS UK LIMITED

(Registered No.00097216)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

Board of Directors: R D Mutchell
S C Gupte

The directors present the Strategic report, their report and the audited financial statements on Lubricants UK Limited (also referred to as the 'company') for the year ended 31 December 2024.

The company is a member of the bp group of companies whose ultimate holding company is BP p.l.c. The term 'bp group', 'bp' or 'group' in this context and where used elsewhere in these reports and financial statements means BP p.l.c. and its subsidiaries. These terms are used in this report for convenience to refer to one or more of the members of the bp group instead of identifying a particular company or companies.

STRATEGIC REPORT

Results

The loss for the year after taxation was £77,908,000 which, when added to the accumulated loss brought forward at 1 January 2024 of £2,692,681,000 together with the net actuarial gain of £407,000 gives a total accumulated loss carried forward at 31 December 2024 of £2,770,182,000.

Review of the business

The company is involved in the blending and marketing of lubricants for many applications, which are sold mainly under the Castrol brand, as well as undertaking research and product development on behalf of Castrol Limited and recovering these costs as other income. The company also provides management services to a number of other companies in the bp group.

The new operating model came into effect on 1st of January 2021, whereby auto business related local country affiliates earn a 5% return on sales and marine business related local country affiliates earn a 3% return on sales in addition to any supply chain margin, with the residual profit, calculated based on the trading partners' EBITDA, transferred to the entity.

On 31 December 2021 the entity and Castrol Limited entered into a 10 year period agreement whereby Castrol Limited provides to the entity right of use for certain intellectual property (IP) of Castrol Limited including copyright, registered designs and design applications, unregistered designs, registered trademarks, trademark applications, trade names, patents and patent applications.

The IP payment of £2,879,000,000 from the entity in Castrol Limited at the end of 2021 replaces the royalty for the next ten years (2022 to 2031). Starting with 2022 and over a 10 year period a yearly amortisation expense will incur. On 15 December 2022 Lubricants UK Limited entered a loan agreement with BP International Limited to fund with an intercompany loan of £2,879,000,000 the settlement of the intellectual property (IP) asset. In December 2023, £3,000,000,000 of share capital has been received and the loan has been settled to BP International Limited.

In 2024, the recoverable amount of the intellectual property (IP) asset has been assessed using a discounted cash flow model. As a result impairment reversal of £81,770,000 was recognised. For further details see note 12.

Expenditure on research and development is undertaken on behalf of Castrol Limited and in 2024 amounted to £46,109,000 (2023 £57,103,401). These activities include the research and development of new additives, in association with additives manufacturers, and new formulations of lubricants and the testing of these under normal and extreme conditions.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

	2024	2023	Variance
	£000	£000	%
Turnover	539,590	609,236	(11)
Operating loss	(37,361)	(333,018)	(89)
Loss for the year	(77,908)	(523,437)	(85)
Total equity	1,096,568	1,166,054	(6)

The decrease in turnover for the year 2024 can be attributed primarily to lower residual income, amounting to £390 million (2023: £454 million). The change in residual income was mainly driven by Mexico related residual recalculation (£48 million decrease), the FY24 related residual income is £16 million lower than the FY23 related one, the remaining is caused by residual income related to prior financial years.

The decrease in operating loss for the year can be largely attributed to £82 million reversal of impairment of intellectual property (IP) intangible assets (2023: £249 million impairment) and reduced depreciation expenses for these assets when compared to the previous year. The overall loss for the year includes interest expenses alongside the operating result. Specifically, interest expenses have decreased substantially by £148 million. This decrease is due to a loan amounting to £2,879 million, which was repaid in December 2023.

The movement in equity is primarily driven by the losses incurred throughout the year.

Section 172 (1) statement

This section describes how the directors have had regard to the matters set out in section 172 (1) (a) - (f) of the Companies Act 2006 (the 'Section 172 factors') and forms the statement required under section 414CZA of the Companies Act 2006. The directors understand their duties under Section 172 and receive training on them upon their appointment, and at regular intervals thereafter.

The board is committed to doing business ethically and transparently, using bp's values and code of conduct to guide them when engaging and working with business partners. The company's activities, and the decisions of the board, affect a wide variety of individuals and organisations. The directors engage with the company's stakeholders, listening to their differing needs and priorities as part of their role as a senior leader at bp and use the feedback received to inform the board's decision-making.

Section 172 factor*(s)*	
(a) – The likely consequences of any decision in the long term; (e) – the desirability of the company maintaining a reputation for high standards of business conduct	When performing their duties, the directors of the company had regard to the bp group strategy and how the long-term success and sustained economic viability of the company supports the bp group's financial frame and sustainability frame. bp's code of conduct, which was updated in 2024, and "Who we are" beliefs set clear expectations for how bp, the company and the board operate to maintain a reputation for high standards of business conduct.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

(b) – the interests of the company's employees	The directors of the company engage with employees and keep them informed on matters of concern to them. The directors of the company acknowledge the key interests of the employees, which include job security and career development, when making decisions. This includes reviewing the key performance indicators on employee engagement measured by employee 'Pulse' surveys.' Employees are kept informed on matters of concern to them as bp employees through the intranet, town halls, site visits and relevant webinars. Employee share ownership is encouraged and there are a number of employee share plans in place at bp group level to which employees of the company can participate in. For example, the bp group operates a ShareMatch plan in more than 50 countries, matching BP p.l.c. shares purchased by employees. The bp group continued to use its learning platform, Grow@bp to enable employees to take ownership of their career and develop skills both for their current roles and future options as bp evolves.
(c) – The need to foster the company's business relationships with suppliers, customers and others	During 2024, the directors of the company reiterated their focus on engaging and fostering relationships with suppliers and customers. Their actions were aligned with bp's Code of Conduct and 'Who we are' beliefs. Furthermore, the board reviewed and considered the company's prompt payment reporting performance and disclosed its practices in respect of the same on a bi-annual basis.
(d) – The impact of the company's operations on the community and the environment	The directors of the company are committed to the bp group's sustainability frame which includes 10 aims to get bp to net zero and help the world get there too, 5 aims to improve people's lives and 5 aims to care for our planet.
(f) - The need to act fairly as between members of the company	In considering both the short- and long-term consequences of decisions, the directors consider how to best maximize the long-term shareholder value for its member as a wholly-owned subsidiary

In addition to the section 172 stakeholders set out above, the company considers its key stakeholders groups to include:

Stakeholder*(s)*	
Government/Regulators	The company recognizes the need to create valued relationships with the government / regulators centered around ethics and transparency, and the need to discuss relevant regulations and guidance where necessary. The board is provided with updates on changes in regulation and / or legislation impacting the company and is committed to keeping the government/regulators informed of any significant changes to the company.
Shareholders	The company is committed in maximising long term shareholder value in, whatever form, when making decisions.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

The company's principal decisions

During the period the directors of the company 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 of the company were in respect of routine board matters, in furtherance of the bp group's purpose and were not considered to be principal in nature.

Principal risks and uncertainties

The bp group manages, monitors and reports on the principal risks and uncertainties that can impact the group's ability to deliver its strategy. The group's system of internal control includes policies, processes, management systems, organizational structures, culture and standards of conduct employed to manage bp's business and associated risks.

Throughout the year, bp management, the leadership team, the board and relevant committees provide oversight of how principal risks to bp are identified, assessed and managed. They support appropriate governance of risk management including having relevant policies in place to help manage risks. Such oversight may include internal audit reports, group risk reports and reviews of the outcomes of business processes including strategy, planning and resource and capital allocation. bp's group risk team analyses the group's risk profile and maintains the group's risk management system. bp's internal audit team provides independent assurance to the chief executive and board as to whether the group's system of internal control is adequately designed and operating effectively to respond appropriately to the risks that are significant to bp. The company aims to deliver sustainable value by identifying and responding successfully to risks in line with the group's risk management process.

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 2024.

Strategic and commercial risks

Prices and markets

The company's financial performance is impacted by fluctuating prices of oil, gas and refined products, technological change, climate policies and regulations, exchange rate fluctuations and the general macroeconomic outlook. Oil, gas and product prices are subject to international supply and demand and margins can be volatile. Political developments, fluctuations to the supply of either oil or natural gas or to alternative low carbon energy sources, technological change, global economic conditions, public health situations (including the outbreak of an epidemic or pandemic), the introduction of new (or amendment to existing) carbon costs and the influence of OPEC+ can impact supply and demand and prices for our products (including low carbon investments).

Decreases in the price of energy outputs the company produces could have an adverse effect on revenue, margins, profitability and cash flows. If these reductions are significant or for a prolonged period, management may have to write down assets and reassess the viability of certain projects, which may impact future cash flows, profit, capital expenditure, the ability to work within the bp group's financial frame and maintain bp's long-term investment programme. Conversely, an increase in the prices of the energy outputs the company produces may not improve margin performance as there could be increased fiscal take, cost inflation and more onerous terms for access to resources. Recent global developments have also caused significant uncertainty and volatility in macroeconomic conditions and commodity markets. The going concern assessment in the Directors' Report has been based on bp's current expectations, but actual outcomes and results may be impacted by these evolving macroeconomic and market conditions.

Exchange rate fluctuations can create currency exposures and impact underlying costs and revenues.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

Major project delivery

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

The company faces challenges in developing major projects, particularly in geographically and technically challenging areas. Poor investment choice, efficiency or delivery, inflation, supply chain, or operational challenges at any major project that underpins production or production growth, 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 could cause business disruption.

Political instability, changes to the regulatory environment or taxation, international trade disputes and barriers to free trade, international sanctions, expropriation or nationalization of property, civil strife, strikes, insurrections, acts of terrorism, acts of war and public health situations (including the outbreak of an epidemic or pandemic) may disrupt or curtail our operations, business activities or investments. These may in turn cause production to decline, limit bp's ability to pursue new opportunities, affect the recoverability of bp's assets and related earnings and cash flow or cause bp to incur additional costs, particularly due to the long-term nature of many of bp's projects and significant capital expenditure required.

Liquidity, financial capacity and financial, including credit, exposure

Failure to work within the financial framework set by the bp group could impact the bp group as well as the company’s ability to operate and result in financial loss. Credit rating downgrades could potentially increase financing costs and limit access to financing or engagement in the company's trading activities on acceptable terms, which could put pressure on the company's liquidity. For further details see Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2024.

Joint arrangements and contractors

The company may have varying levels of control over the standards, operations and compliance of its partners, including non-operated joint ventures, contractors and sub-contractors which could result in legal liability and reputational damage.

The company's partners and contractors are responsible for the adequacy of their resources and capabilities. If these are found to be lacking, there may be financial, reputational, operational or safety exposures for the company. Should an incident occur in an operation that the company participates in, its partners and contractors may be unable or unwilling to fully compensate the company against costs it may incur on their behalf or on behalf of the arrangement.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

Digital infrastructure, cyber security and data protection

The energy industry is subject to fast-evolving risks, including ransomware, from cyber threat actors, including nation states, criminals, terrorists, hacktivists and insiders. Current geopolitical factors have increased these risks. There is also growing regulation around data protection and data privacy, critical national infrastructure and the evolving opportunities and threats from artificial intelligence. A breach or failure of the bp group or third parties' digital infrastructure – including control systems – due to breaches of cyber defences, or those of third parties, negligence, intentional misconduct or other reasons, could seriously disrupt operations. This could result in the loss or misuse of data or sensitive information, including employees' and customers' personal data, injury to people, disruption to bp group's business, harm to the environment or assets, legal or regulatory breaches, legal liability and significant costs including fines, cost of remediation or reputational consequences. Furthermore, the rapid detection of attempts to gain unauthorized access to digital infrastructure, often through the use of sophisticated and co-ordinated means, is a challenge and any delay or failure to detect could compound these potential harms.

Climate change and the transition to a lower carbon economy

Laws, regulations, policies, obligations, government actions, social attitudes and customer preferences relating to climate change and the transition to a lower carbon economy, including the pace of change to any of these factors, and also the pace of the transition itself, could have adverse impacts on our business including on our access to and realization of competitive opportunities, a decline in demand for, or constraints on our ability to sell certain products, constraints on production and supply, adverse litigation and regulatory or litigation outcomes, increased costs from compliance and increased provisions for environmental and legal liabilities.

Investor preferences and sentiment are influenced by environmental, social and governance considerations including climate change and the transition to a lower carbon economy. Changes in those preferences and sentiment could affect bp group's access to capital markets and attractiveness to potential investors, potentially resulting in reduced access to financing, increased financing costs and impacts upon business plans and financial performance.

Competition

The bp group's strategic progress and performance could be impeded if the company is unable to control its development and operating costs and margins, fails to scale its businesses at pace, or to sustain, develop and operate a high-quality portfolio of assets efficiently. Furthermore, as an integrated energy company, the bp group faces an expanded and rapidly evolving range of competitors in the sectors in which it operates.

Talent and capability

The sectors in which the bp group operates face increasing challenges to attract and retain diverse, skilled and capable talent. An inability to successfully recruit, develop and retain core skills and capabilities and to reskill existing talent could negatively impact delivery of our strategy.

Crisis management and business continuity

The bp group's reputation and business activities could be negatively impacted if the management does not respond, or is perceived not to respond, in an appropriate manner to any major crisis.

Insurance

The bp group insures in situations where this is legally and contractually required. Some risks are insured with third parties and reinsured by group insurance companies. Uninsured losses could have a material adverse effect on the company's financial position, particularly if they arise at a time when the company is facing material costs as a result of a significant operational event which could put pressure on liquidity and cash flows.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

Safety and operational risks

Process safety, personal safety and environmental risks

Technical integrity failure, natural disasters, extreme weather or a change in its frequency or severity, human error and other adverse events or conditions, including breach of digital security, could lead to loss of containment of hazardous materials, including hydrocarbons. This could also lead to fires, explosions or other personal and process safety incidents when drilling wells, constructing and operating facilities; in addition to activities associated with transportation by road, sea or pipeline. There can be no certainty that our operating management system or other policies and procedures will adequately identify all process safety, personal safety and environmental risks or that all our operating activities will be conducted in conformance with these systems.

Such events or conditions could lead to injuries, loss of life or environmental damage. As a result, the company could face regulatory action and legal liability, including penalties and remediation obligations, increased costs and potentially denial of licence to operate.

Security

Acts of terrorism, piracy, sabotage, activism and similar activities directed against the company's operations could cause harm to people and severely disrupt operations. The company's activities could also be severely affected by conflict, civil strife or political unrest.

Product quality

Failure to meet product quality specifications could cause harm to people and the environment, damage bp group's reputation, result in regulatory action and legal liability, and impact financial performance.

Compliance and control risks

Ethical misconduct and non-compliance

Incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti-bribery and corruption, competition and antitrust, data privacy, and anti-fraud laws, trade restrictions or other sanctions, could damage the company's reputation, and result in litigation, regulatory action, penalties and potentially affect licence to operate. In relation to trade restrictions or other sanctions, current geopolitical factors have increased these risks.

Regulation

Changes in the law and regulation, including how they are interpreted and enforced, could increase costs, constrain the company's operations and affect its business plans and financial performance.

Treasury

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

Reporting

External reporting of financial and non-financial data relies on the integrity of the control environment, bp group's systems and people operating them. Failure to report data accurately and in compliance with applicable standards could result in regulatory action, legal liability and reputational damage.

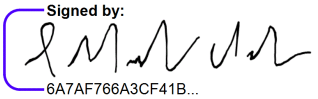
DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

Financial risk management

The company is exposed to a number of different financial risks arising from natural business exposures including market risks relating to commodity prices, foreign currency exchange rates and interest rates; credit risk; and liquidity risk. Further details on these financial risks are included within Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2024.

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

Signed by:

6A7AF766A3CF41B...

R D Mutchell
Director
September 26, 2025

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

DIRECTORS' REPORT

LUBRICANTS UK LIMITED

Directors

The present directors are listed on page 1.

S C Gupte and R D Mutchell served as a directors throughout the financial year. Changes since 1 January 2024 are as follows:

	Appointed	Resigned
K Yazganoglu		30 April 2025

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 (2023 £0). The directors do not propose the payment of a dividend (2023 £0).

Strategic and commercial risks

Markets

Recent global developments have caused significant uncertainty and volatility in macroeconomic conditions and commodity markets. The going concern assessment below has been based on bp's current expectations, but actual outcomes and results may be impacted by these evolving macroeconomic and market conditions.

Financial risk management

In accordance with section 414C of the Companies Act 2006 the directors have included information regarding financial instruments as required by Schedule 7 (Part 6.1) 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

There were no post balance sheet events.

Going concern

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

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

Going concern (continued)

Liquidity and financing are managed within the bp group under pooled group-wide arrangements which include the company. As part of the going concern basis of preparation for the company, the ability and intent of the bp group to support the company has also been taken into consideration. The most recent bp group financial statements continue to be prepared on a going concern basis. Forecast liquidity of the bp group has been assessed under a number of stressed scenarios, including a significant decline in oil prices over the 12-month period from the date these financial statements were approved. Reverse stress tests performed indicated that the bp group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero.

In February 2025, a strategic review of the Castrol business, of which the company forms part, was announced. A possible outcome of this process is a change of full or partial ownership of the business. Taken as a whole, the Castrol business is highly profitable and cash-generative, however in the event of a change in ownership, it is possible that the new owners of the business may seek to reorganise its legal entity structure or transfer substantial components of the business to other existing legal entities within the new owners' control. Such an eventuality could result in certain individual legal entities or holding companies within the group no longer being required, as currently constituted, leading to their liquidation. Accordingly, from the perspective of the company as a standalone legal entity, there is a material uncertainty until the outcome of strategic review, and the plans of a possible future owner are known, that may cast significant doubt about the company's ability to continue as a going concern.

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

Future developments

As announced in February 2025, bp is carrying out a strategic review of its Castrol business with the intention of accelerating Castrol's next phase of value creation.

The directors consider that, despite the uncertainties deriving from the current economic environment and the loss reported for the year 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.

Research and development

The research and development activity was undertaken in the interest of developing the Castrol brand. These costs are partially charged to Castrol Limited.

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.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

Stakeholder statements

Employee engagement statement

The directors of the company recognize that employees are vital to the long-term success of the company and engage with employees, and keep them informed on matters of concern to them. The company's section 172(1) statement in the Strategic Report demonstrates how the directors have engaged with employees throughout the year, and how the directors of the company have had regard to their interests when making decisions.

Statement of engagement with suppliers, customers and others in a business relationship with the company

The company's section 172(1) statement in the Strategic Report demonstrates how the directors have had regard to the need to foster business relationships with suppliers, customers and other stakeholders when making decisions on behalf of the company.

Streamlined Energy & Carbon Reporting (SECR)

As a UK subsidiary of a UK parent company which prepares a group directors' report, SECR reporting details are included in the Strategic Report of the bp group Annual Report and Form 20-F for the year ended 31 December 2024.

Auditors

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

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

DIRECTORS' REPORT

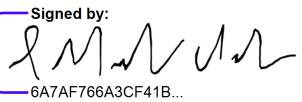
Directors' statement as to the disclosure of information to the auditor

The directors who were members of the board at the time of approving the directors' report, as listed on page 1, confirm that:

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

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

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

Signed by:

6A7AF766A3CF41B...

R D Mutchell
Director
September 26, 2025

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

LUBRICANTS UK 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.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUBRICANTS UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Lubricants UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 24.

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.

Material uncertainty related to going concern

We draw attention to note 2 of the financial statements, which indicates that the company forms part of the Castrol business which is currently subject to a strategic review. A possible outcome of this is a change of full or partial ownership of the company. In the event of a change in ownership, new owners of the business may choose to reorganise the legal entity structure leading to liquidation of certain individual entities. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

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

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

We have nothing to report in this regard.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

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

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

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

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

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

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

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

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

INDEPENDENT AUDITOR'S REPORT

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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

DocuSigned by:
David Holtam
A7E8E1FBAB614D3...

David Holtam FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP, Statutory Auditor
London, United Kingdom
September 26, 2025

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

PROFIT AND LOSS ACCOUNT

THE YEAR ENDED 31 DECEMBER 2024

LUBRICANTS UK LIMITED

	Note	2024 £000	2023 £000
Turnover	**3**	539,590	609,236
Cost of sales		(82,392)	(97,781)
Gross profit		457,198	511,455
Distribution and marketing expenses		(573,404)	(609,768)
Administrative expenses		(80,208)	(79,670)
Other operating income	**4**	82,188	93,475
Reorganization / restructuring costs		(4,660)	—
Profit on disposal of fixed assets		426	—
Impairment of intangible asset	**12**	—	(248,510)
Reversal of impairment of intangible assets	**12**	81,770	—
Impairment of fixed asset investments	**14**	(671)	—
Operating loss	**5**	(37,361)	(333,018)
Share in Joint Ventures profit	**14**	(42)	—
Interest receivable and similar income	**7**	7	71
Interest payable and similar expenses	**8**	(20,381)	(168,753)
Other finance expense	**9**	(1,773)	(1,751)
Loss before taxation		(59,550)	(503,451)
Tax on loss	**10**	(18,358)	(19,986)
Loss for the year		**(77,908)**	**(523,437)**

The loss of £77,908,000 for the year ended 31 December 2024 was derived in its entirety from continuing operations.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

LUBRICANTS UK LIMITED

	Note	2024 £000	2023 £000
Loss for the year		(77,908)	(523,437)
Items that will not be reclassified to profit or loss			
Remeasurements of the net pension and other post-retirement benefit liability or asset	**22**	407	422
Other comprehensive income for the year net of tax		407	422
Total comprehensive loss for the year		(77,501)	(523,015)

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

BALANCE SHEET

AS AT 31 DECEMBER 2024

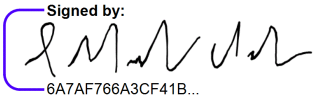
LUBRICANTS UK LIMITED

(Registered No.00097216)

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	**12**	1,269,582	1,275,430
Tangible assets	**13**	76,488	51,671
Investments	**14**	—	712
		1,346,070	1,327,813
Current assets			
Stocks	**15**	5,376	6,208
Debtors		317,864	268,663
Debtors - amounts falling due:			
within one year	**16**	314,981	261,341
after one year	**16**	2,883	7,322
Cash at bank and in hand		21	599
		323,261	275,470
Creditors: amounts falling due within one year	**17**	(532,952)	(394,907)
Other provisions - current	**18**	(564)	(33)
Net current liabilities		(210,255)	(119,470)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,135,815	1,208,343
Creditors: amounts falling due after more than one year	**17**	(91)	(103)
Other provisions - non current	**18**	(23,644)	(25,519)
Other post-retirement benefit plan deficit	**22**	(15,512)	(16,667)
NET ASSETS		1,096,568	1,166,054
Capital and reserves			
Called up share capital	**19**	750,000	750,000
Share premium account	**20**	894	894
Profit and loss account	**20**	(2,770,182)	(2,692,681)
Other reserves	**20**	3,115,856	3,107,841
TOTAL EQUITY		1,096,568	1,166,054

The financial statements were approved by the board of directors and authorised for issue on 26 September 2025 and were signed on its behalf by:

Signed by:



6A7AF766A3CF41B...

R D Mutchell
Director
September 26, 2025

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

LUBRICANTS UK LIMITED

	Called up share capital (Note 19)	Share premium account (Note 20)	Other reserves (Note 20)	Profit and loss account (Note 20)	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2023	750,000	894	91,660	(2,169,666)	(1,327,112)
Loss for the year	—	—	—	(523,437)	(523,437)
Other comprehensive income for the year	—	—	—	422	422
Total comprehensive loss for the year	—	—	—	(523,015)	(523,015)
Issue of share capital	3,000,000	—	—	—	3,000,000
Reduction of share capital to Other reserves	(3,000,000)	—	3,000,000	—	—
Capital contribution for equity-settled share-based payments	—	—	16,181	—	16,181
Balance at 1 January 2024	750,000	894	3,107,841	(2,692,681)	1,166,054
Loss for the year	—	—	—	(77,908)	(77,908)
Other comprehensive income for the year	—	—	—	407	407
Total comprehensive loss for the year	—	—	—	(77,501)	(77,501)
Capital contribution for equity-settled share-based payments	—	—	8,015	—	8,015
Balance at 31 December 2024	750,000	894	3,115,856	(2,770)	1,096,568

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

The financial statements of Lubricants UK Limited for the year ended 31 December 2024 were approved by the board of directors on 26 September 2025 and the balance sheet was signed on the board's behalf by R D Mutchell. Lubricants UK Limited is a private limited company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 00097216). The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

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

The material accounting policy information and critical accounting judgements, estimates and assumptions of the company are set out below.

Basis of preparation

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

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

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 24 to the financial statements.

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared under the historical cost convention in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2006. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

(a) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements; ;
(b) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
    i. paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements
    ii. paragraph 73(e) of IAS 16 Property, Plant and Equipment
    iii. paragraph 118(e) of IAS 38 Intangible Assets
(c) the requirements of IAS 7 Statement of Cash Flows (excluding paragraphs 1 to 44E, 44H(b)(ii) and 45 to 63 which are not applicable);
(d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective;
(e) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
(f) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Basis of preparation (continued)

(g) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c)-135(e) of IAS 36, Impairment of Assets;
(h) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
(i) the requirements of IFRS 7 Financial Instruments: Disclosures
(j) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;
(k) 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;
(l) the requirements of paragraphs 88C and 88D of IAS 12 Income Taxes.

Where required, equivalent disclosures are given in the group financial statements of BP p.l.c. The group financial statements of BP p.l.c. are available to the public and can be obtained as set out in Note 24.

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

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

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, 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 below, and should be read in conjunction with the information provided in the Notes to the financial statements.

The area requiring the most significant judgement and estimation in the preparation of the financial statements is the recoverability of asset carrying values.

Judgements and estimates, not all of which are significant, made in assessing the impact of the current economic and geopolitical environment, and climate change and the transition to a lower carbon economy on the financial statements are also set out below. Where an estimate has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year this is specifically noted within the boxed text.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Judgements and estimates made in assessing the impact of climate change and the transition to a lower carbon economy

Climate change and the transition to a lower carbon economy were considered in preparing the financial statements. These may have significant impacts on the currently reported amounts of the company's assets and liabilities discussed below and on similar assets and liabilities that may be recognized in the future. bp's assumptions for investment appraisal form part of an investment-decision making framework for currently unsanctioned future capital expenditure on tangible assets, and intangibles including exploration and appraisal assets, that is designed to support the effective and resilient implementation of bp's strategy. The price assumptions used for investment appraisal include oil and gas price assumptions, which are producer prices and are therefore net of any future carbon prices that the purchaser may be required to pay, and an assumption of a single carbon emissions cost imposed on the producer in respect of operational greenhouse gas (GHG) emissions (carbon dioxide and methane) in order to incentivize engineering solutions to mitigate GHG emissions on projects. bp's oil and gas price assumptions for value in use impairment testing are aligned with those investment appraisal assumptions. The assumptions for future carbon emissions costs in value in use impairment testing differ from the investment appraisal assumptions and are described below.

Management has also not identified any off-balance sheet commodity purchase obligations to be onerous contracts as result of the transition to a lower carbon economy at 31 December 2024.

Going concern

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

Liquidity and financing are managed within the bp group under pooled group-wide arrangements which include the company. As part of the going concern basis of preparation for the company, the ability and intent of the bp group to support the company has also been taken into consideration. The most recent bp group financial statements continue to be prepared on a going concern basis. Forecast liquidity of the bp group has been assessed under a number of stressed scenarios, including a significant decline in oil prices over the 12-month period from the date these financial statements were approved. Reverse stress tests performed indicated that the bp group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero.

In February 2025, a strategic review of the Castrol business, of which the company forms part, was announced. A possible outcome of this process is a change of full or partial ownership of the business. Taken as a whole, the Castrol business is highly profitable and cash-generative, however in the event of a change in ownership, it is possible that the new owners of the business may seek to reorganise its legal entity structure or transfer substantial components of the business to other existing legal entities within the new owners' control. Such an eventuality could result in certain individual legal entities or holding companies within the group no longer being required, as currently constituted, leading to their liquidation. Accordingly, from the perspective of the company as a standalone legal entity, there is a material uncertainty until the outcome of strategic review, and the plans of a possible future owner are known, that may cast significant doubt about the company's ability to continue as a going concern.

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

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

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 the company operates and is normally the currency in which the company 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.

Intangible assets

Intangible assets intellectual property and software & others and are stated at the amount initially recognized, less accumulated amortization and accumulated impairment losses.

Intangible assets are carried initially at cost unless acquired as part of a business combination. Any such asset is measured at fair value at the date of the business combination

Intangible assets with a finite life are amortized on a straight-line basis over their expected useful lives. For patents, licences and trademarks, expected useful life is the shorter of the duration of the legal agreement and economic useful life, and can range from three to fifteen years. Digital asset costs generally have a useful life of three to five years.

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

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

Tangible assets

Tangible assets owned by the company are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, directly attributable finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Exchanges of assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. The gain or loss on derecognition of the asset given up is recognized in profit or loss.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Tangible assets (continued)

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

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

Land and buildings	
Land improvements	15 to 25 years
Buildings	20 to 50 years
Fixtures and fittings	
Fixtures and fittings	5 to 15 years
Plant and machinery	1 to 25 years

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

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

An item of tangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss account in the period in which the item is derecognized.

Impairment of intangible and tangible assets

The company assesses assets or groups of assets, called cash-generating units (CGUs), for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable, for example, changes in the company's business plans, or increases in estimated future development expenditure or decommissioning costs. If any such indication of impairment exists, the company makes an estimate of the asset's or CGU's recoverable amount. Individual assets are grouped into CGUs for impairment assessment purposes at the lowest level at which there are identifiable cash inflows that are largely independent of the cash inflows of other groups of assets. A CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use. If it is probable that the value of the CGU will be primarily recovered through a disposal transaction, the expected disposal proceeds are considered in determining the recoverable amount. Where the carrying amount of a CGU exceeds its recoverable amount, the CGU is considered impaired and is written down to its recoverable amount.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Impairment of intangible and tangible assets (continued)

The business segment plans, which are approved on an annual basis by senior management, are the primary source of information for the determination of value in use. They contain forecasts for oil and natural gas production, refinery throughputs, sales volumes for various types of refined products (e.g. lubricants), revenues, costs and capital expenditure. Carbon taxes and costs of emissions allowances are included in estimates of future cash flows, where applicable, based on the regulatory environment in each jurisdiction in which the company operates. As an initial step in the preparation of these plans, various assumptions regarding market conditions, such as oil prices, natural gas prices, power prices, refining margins, refined product margins and cost inflation rates are set by senior management. These assumptions take account of existing prices, global supply-demand equilibrium for oil and natural gas, other macroeconomic factors and historical trends and variability.In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group to the extent that they are not already reflected in the discount rate and are discounted to their present value typically using a pre-tax discount rate that reflects current market assessments of the time value of money. Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s or CGU's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset or CGU is increased to the lower of its recoverable amount and the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset or CGU in prior years. Impairment reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s or CGU's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Significant judgements and estimates: recoverability of asset carrying values

Determination as to whether, and by how much, an asset or CGU is impaired involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates, capital expenditure, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products. Judgement is required when determining the appropriate grouping of assets into a CGU or the appropriate grouping of CGUs for impairment testing purposes.

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

Details of the carrying amounts of the asset are shown in Note 12.

The estimates for assumptions made in impairment tests in 2024 relating to discount rates are discussed below. Changes in the economic environment including as a result of the energy transition or other facts and circumstances may necessitate revisions to these assumptions and could result in a material change to the carrying values of the company's assets within the next financial year.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Discount rates

For discounted cash flow calculations, future cash flows are adjusted for risks specific to the CGU. Value-in-use calculations are typically discounted using a pre-tax discount rate based upon the cost of funding the bp group derived from an established model, adjusted to a pre-tax basis and incorporating a market participant capital structure and country risk premiums. Fair value less costs of disposal calculations use the post-tax discount rate.

The discount rates applied in impairment tests are reassessed each year and in 2024 the post-tax discount rate used was 8% (2023 8%). Where the CGU is located in a country that was judged to be higher risk an additional premium of 1% to 3% was reflected in the discount rate (2023 1% to 4%). The judgement of classifying a country as higher risk and the applicable premium takes into account various economic and geopolitical factors. The pre-tax discount rate typically ranged from 9% to 20% (2023 9% to 20%) depending on the risk premium and the applicable tax rate in the geographic location of the CGU.

Leases

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

Agreements that convey the right to control the use of an intangible asset including rights to explore for or use hydrocarbons are not accounted for as leases. See material accounting policy information: intangible assets.

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

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

The right-of-use asset is recognized on the balance sheet as tangible assets at a value equivalent to the initial measurement of the lease liability adjusted for lease prepayments, lease incentives, initial direct costs and any restoration obligations. The right-of-use asset is depreciated typically on a straight-line basis over the lease term. The depreciation charge is recognized in the profit and loss account. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of

Agreements may include both lease and non-lease components. Payments for lease and non-lease components are allocated on a relative stand-alone selling price basis.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Leases (continued)

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

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

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

The company recognizes the full lease liability, rather than its working interest share, for leases entered into on behalf of a joint operation if the company has the primary responsibility for making the lease payments. In such cases, the company's working interest share of the right-of-use asset is recognized if it is jointly controlled by the company and the other joint operators, and a receivable is recognized for the share of the asset transferred to the other joint operators. If the company is a non-operator, a payable to the operator is recognized if they have the primary responsibility for making the lease payments and the company has joint control over the right-of-use asset, otherwise no balances are recognized.

Financial assets

Financial assets are recognized initially at fair value, normally being the transaction price. In the case of financial assets not measured 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 and either substantially all of the risks and rewards of the asset have been transferred, or substantially all the risks and rewards of the asset have neither been retained nor transferred but control of the asset has been transferred.

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

Financial assets measured at amortized cost

Financial assets are classified as measured at amortized cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired and when interest income is recognized using the effective interest method. This category of financial assets includes trade and other receivables.

Cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments and are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and generally have a maturity of three months or less from the date of acquisition. Cash equivalents are classified as financial assets measured at amortized cost or, in the case of certain money market funds, fair value through profit or loss.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

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

Financial liabilities

Financial liabilities are recognized when the company becomes party to the contractual provisions of the instrument. The company derecognizes financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities measured at amortized cost

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

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized in interest receivable and similar income and interest payable and similar expenses respectively. This category of financial liabilities includes

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.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

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 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 4.5% (2023 4.0%).

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, if material, unless the possibility of an outflow of economic resources is considered remote.

Restructuring provisions

Restructuring provisions are recognized where a detailed formal plan exists, and a valid expectation of risk of redundancy has been made to those affected but where the specific outcomes remain uncertain. Where formal redundancy offers have been made, the obligations for those amounts are reported as payables and, if not, as provisions if unpaid at the year-end.

Significant judgements and estimates: provisions

The provision for environmental liabilities is estimated based on current legal and constructive requirements, technology, price levels and expected plans for remediation. Actual costs and cash outflows can differ from current estimates because of changes in laws and regulations, public expectations, prices, discovery and analysis of site conditions and changes in clean-up technology.

The timing and amount of future expenditures relating to environmental liabilities are reviewed annually, during the fourth quarter. The interest rate used in discounting the cash flows is reviewed quarterly. The nominal interest rate used to determine the balance sheet obligations has been updated per 31 December 2024 and the change in discount rate has been recognized on bp Lubricants UK Limited books accordingly. The weighted average period over which environmental costs are generally expected to be incurred is estimated to be approximately 10 years. Costs at future prices are determined by applying an inflation rate according to accounting policy quarterly instruction.

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. The accounting policies for share-based payments and for pensions and other post-employment benefits are described below.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees of the company is measured by reference to the fair value at the date at which equity instruments are granted and is recognized as an expense on a straight-line basis over the vesting period, which ends on the date on which the employees become fully entitled to the award. A corresponding credit is recognized within equity. The culmulative expense is recognised at each reporting date until the vesting date reflects the extend to which the vesting period has expired and the company's best estimate of the number of options that will ultimately vest. Expenses related to these payments are offset by a recharge from BP p.l.c, which is further accounted for as an equity deduction. Fair value is determined by using an appropriate valuation model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the BP p.l.c. (market conditions). Non-vesting conditions, such as the condition that employees contribute to a savings-related plan, are taken into account in the grant-date fair value, and failure to meet a non-vesting condition, where this is within the control of the employee, is treated as a cancellation and any remaining unrecognized cost is expensed.

Cash-settled transactions

The cost of cash-settled transactions is recognized as an expense over the vesting period, measured by reference to the fair value of the corresponding liability which is recognized on the balance sheet. The liability is re-measured at fair value at each balance sheet date until settlement, with changes in fair value recognized in the profit and loss account.

Pensions and Other Post-Employment Benefits

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 p.l.c 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 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.

The cost of providing post-employment benefits is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine the current service cost) and to the current and prior periods (to determine the present value of the post- retirement benefit obligation). Past service costs, resulting from either a plan amendment or a curtailment (a reduction in future obligations resulting from a material reduction in the plan membership), are recognised immediately when the company becomes committed to a change.

Interest expense relating to post-employment benefits, which is recognised in the profit and loss account, represents the net change in present value of plan obligations, and is determined by applying the discount rate to the present value of the post-employment benefit obligation at the start of the year, taking into account expected changes in the obligation during the year.

Re-measurements of the post-employment benefit liability, comprising actuarial gains and losses, (excluding amounts included in interest described above) are recognized within other comprehensive income in the period in which they occur and are not subsequently reclassified to profit and loss. The post-employment benefit plan deficit recognized in the balance sheet comprises of the present value of the post-employment benefit obligation (using a discount rate based on high quality corporate bonds).

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Significant estimate: pensions and other post-employment benefits

The defined benefit pension scheme is a scheme that shares risks between entities under common control and is administered by the ultimate parent company BP p.l.c. The company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and so the scheme has been accounted for as a defined contribution scheme as allowed by FRS 101. Contributions to the scheme are charged through the company's profit and loss account in the year in which they become payable. Detailed disclosures have been made in the financial statements of the ultimate parent company.

Accounting for other post-employment benefits involves making significant estimates when measuring the company's obligations. These estimates require assumptions to be made about many uncertainties.

Other post-employment benefit assumptions are reviewed by management at the end of each year. These assumptions are used to determine the projected benefit obligation at the year end and hence the liability recorded on the company's balance sheet and other post-employment benefit expense for the following year.

The assumptions that are the most significant to the amounts reported are the discount rate, healthcare cost inflation rate and mortality levels. Assumptions about these variables are based on the environment in the UK. The assumptions used vary from year to year, with resultant effects on expense and obligations. Changes to some of these assumptions, in particular the discount rate and healthcare cost inflation rate, could result in material changes to the carrying amounts of the company's other post-employment benefit obligations within the next financial year. Any differences between these assumptions and the actual outcome 31 December 2024 and 2023 are provided in Note 22.

The values ascribed to these assumptions and a sensitivity analysis of the impact of changes in the assumptions on the benefit expense and obligation is provided in Note 22.

Taxation

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

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

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

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

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, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.; or
- In respect of taxable temporary differences associated with investments in group undertakings 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.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Taxation (continued)

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, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

In respect of deductible temporary differences associated with investments in group undertakings 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.

Customs duties and sales taxes

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

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

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

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Turnover

Revenue from contracts with customers is recognized when or as the company satisfies a performance obligation by transferring control of a promised good or service to a customer. The transfer of control of lubricant products usually coincides with title passing to the customer and the customer taking physical possession. The company principally satisfies its performance obligations at a point in time; the amounts of revenue recognized relating to performance obligations satisfied over time are not significant.
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.
The company also provides management services to a number of other companies within the bp group.

The countries using new operating model are distributing residual profits to Lubricants UK Limited calculated based on the respective trading partner's EBITDA. Revenues from residual profit are recognised on an accrual basis.

Interest income

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

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.

Development costs

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

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

Finance costs

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

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

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

Updates to material accounting policy information

There are no new IFRS Accounting Standards or other amended standards or interpretations adopted from 1 January 2024 onwards, that have a significant impact on the financial statements.

Impact of new International Financial Reporting Standards

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

Amendment to IFRS 9 Financial Instruments

Amendments to IFRS 9 Financial Instruments relating to the settlement of liabilities through electronic payment systems are effective for annual periods beginning on or after 1 January 2026 subject to endorsement by the UK Endorsement Board. The potential impact on cash and banking operations and amounts reported on adoption of the amendments is currently being assessed.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will supersede IAS 1 Presentation of Financial Statements and is effective for annual periods beginning on or after 1 January 2027 subject to endorsement by the UK Endorsement Board. IFRS 18 (and consequential amendments made to IAS 7 Statement of Cash Flows, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IAS 33 Earnings per share and IFRS 7 Financial Instruments: Disclosures) introduces several new requirements that are expected to impact the presentation and disclosure of the company's financial statements. These new requirements include:

- Requirements to classify all income and expenses included in the statement of profit or loss into one of five categories and to present two new mandatory subtotals.
- Required disclosures about certain non-GAAP measures ('management defined performance measures') in a single note to the financial statements.
- Enhanced guidance on the aggregation of information across all the primary financial statements and the notes.

The company's evaluation of the effect of adopting IFRS 18 is ongoing.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

3. Turnover

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

	2024	2023
	£000	£000
Sales of goods[a]	121,706	130,633
Rendering of services	28,247	24,433
Residual profit[b]	389,637	454,170
	539,590	609,236
Other operating income (Note 4)	82,188	93,475
Interest receivable and similar income (Note 7)	7	71
	621,785	702,782

[a]Revenue from trading activities is coming from selling lubricants to customers. The company may provide incentives to its customers. Where a customer hasn't met all the conditions of an incentive the year end amount is estimated and the final amount is calculated after year end based on actual sales.

[b]Residual profit is charged by Lubricants UK for the local country affiliates in scope for the new Castrol operating model

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

	2024	2023
	£000	£000
Class of business:		
customers & products	539,590	609,236
Total	539,590	609,236

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

	2024	2023
	£000	£000
By geographical area:		
UK	119,402	137,212
Rest of Europe	191,546	172,212
USA	103,530	79,986
Rest of World	125,112	219,826
	539,590	609,236

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

4. Other operating income

	2024	2023
	£000	£000
Research and marketing costs recharged to group companies	76,212	91,428
Miscellaneous	5,976	2,047
	82,188	93,475

Other operating income represents amounts recharged to other BP p.l.c. group companies for research and marketing costs incurred by the company. Miscellaneous income represents the tax reclaims due to research and development activities.

5. Operating loss

This is stated after charging / (crediting):

	2024	2023
	£000	£000
Net foreign exchange losses	1,406	6,943
Research and development costs expensed[a]	46,109	57,103
Amortization of intangible assets[a]	174,170	195,656
Depreciation of tangible assets[a]	3,557	3,309
Impairment of intangible assets	—	248,510
Reversal of impairment of intangible assets	(81,770)	—
Cost of stock recognized as an expense[b]	80,861	90,370
Profit on disposal of tangible assets	(426)	—

[a]Amount is included in Distribution and Marketing expenses
[b]Amount is included in Cost of sales

6. Auditor’s remuneration

	2024	2023
	£000	£000
Fees for the audit of the company	79	70

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 Lubricants UK Limited’s ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis. The audit fees were borne by the company.

7. Interest receivable and similar income

	2024	2023
	£000	£000
Interest income from amounts owed by group undertakings	7	71

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

8. Interest payable and similar expenses

	2024	2023
	£000	£000
Interest expense on:		
Lease liabilities	3	3
Interest expense from amounts owned to group undertakings (Note 17)	20,128	168,523
Non Group interest	250	227
Total interest payable and similar expenses	20,381	168,753

9. Other finance expense

	2024	2023
	£000	£000
Interest on pension plan and other post-retirement benefits	765	840
Unwinding of discount of provision	1,008	911
Total other finance expense	1,773	1,751

10. Taxation

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

In May 2023, the IASB issued International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12 Income Taxes to clarify the application of IAS 12 to tax legislation enacted or substantively enacted to implement Pillar Two of the Organisation for Economic Co-operation and Development's Base Erosion and Profit Shifting project, which aims to address the tax challenges arising from the digitalisation of the economy. The amendments include a mandatory temporary exception from accounting for deferred tax on such tax law. In July 2023, the UK government enacted legislation to implement the Pillar Two rules. The legislation is effective for the company from 1 January 2024 and includes an income inclusion rule and a domestic minimum tax. The Pillar Two rules apply at a country level across legal entities in the same group. The rules also include a transitional safe harbour (TCSH) based on Country-by-Country reporting which is applicable for the first three years of the Pillar Two rules. The TCSH provides for three tests which simplify the application of the Pillar Two rules, and where at least one of these tests is met, the top-up tax is deemed to be zero. No provision has been made for Pillar Two current tax for the company for the year ended 31 December 2024 as the company is expected to qualify for the TCSH. In line with the amendments to IAS 12, the exception from accounting for deferred tax for the Pillar Two rules has been applied.

The taxation charge / (credit) in the profit and loss account is made up as follows:

	2024	2023
Current tax	£000	£000
UK tax (overprovided) / underprovided in prior years	—	—
Overseas tax on income for the year	18,358	19,986
Total current tax charged	18,358	19,986
Tax charged on profit	18,358	19,986

In 2024 the total tax charge / (credit) recognized within other comprehensive income was £Nil (2023: Nil) and the total tax credit recognized directly in equity was £Nil (2023: £Nil).

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

10. Taxation (continued)

(a) Reconciliation of the effective tax rate

The tax assessed on the loss for the year is lower than the standard rate of corporation tax in the UK of 25.0% for the year ended 31 December 2024 (2023 23.5%). The differences are reconciled below:

	2024	2023
	£000	£000
(Loss) before tax	(59,550)	(503,451)
Tax charge / (credit)	18,358	19,986
Effective tax rate	(-31)%	(-4)%

	2024	2023
	UK %	UK %
UK corporation tax rate:	25	24
Overseas corporation tax rate:	—	—
Increase / (decrease) resulting from:		
Non-deductible expenditure / (non-taxable income)	(10)	(5)
Transfer pricing adjustment	(12)	—
Overseas tax	(23)	(3)
Free group relief	—	(19)
Amounts not recognised	(11)	(1)
Effective tax rate	(31)	(4)

The reconciling items shown above are those that arise for UK corporation tax purposes, rather than overseas tax purposes.

Change in corporation tax rate

The UK corporation tax rate is 25%, effective from 1 April 2023, which applies for the year ended 31 December 2024. This rate been applied when calculating the company's deferred tax balances at the balance sheet date.

(b) Provision for deferred tax

Deferred tax has not been recognised on deductible temporary differences of £87,394,811 (2023: £94,128,970) in respect of fixed assets, other temporary differences and capital losses which do not have an expiry date on the basis that they are not expected to give rise to any future tax benefit.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

11. Directors and employees

(a) Remuneration of directors

None of the directors received any fees or remuneration for qualifying services as a director of the company during the financial year (2023 £Nil).

(b) Employee costs

	2024	2023
	£000	£000
Wages and salaries	59,826	57,863
Social security costs	8,319	7,367
Other pension costs	—	1
	68,145	65,231

The employee costs noted above relate to those employees with contracts of employment in the name of Lubricants UK Limited.

(c) The average monthly number of employees during the year was 463 (2023 421).

Average number of employees	2024	2023
	No.	No.
customers & products	463	421
	463	421

12. Intangible assets

	Software & other	Intellectual Property[a]	Total	Of which AUC[b]
Cost	£000	£000	£000	£000
At 1 January 2024	187,652	2,956,906	3,144,558	27,393
Addition - other intangible assets	30,385	48,096	78,481	—
Additions - purchase of softwares	16,646	—	16,646	16,646
Additions - internal development of softwares	21,899		21,899	15,873
Disposals	(89)	—	(89)	—
Transfers	(30,385)	—	(30,385)	(30,385)
At 31 December 2024	226,108	3,005,002	3,231,110	29,527
Amortization/Impairment				
At 1 January 2024	112,154	1,756,974	1,869,128	—
Charge for the year	24,179	149,991	174,170	—
Reversal of impairment	—	(81,770)	(81,770)	—
At 31 December 2024	136,333	1,825,195	1,961,528	—
Net book value				
At 31 December 2024	89,775	1,179,807	1,269,582	29,527
At 31 December 2023	75,498	1,199,932	1,275,430	27,393

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

12. Intangible assets (continued)

[a]On 31 December 2021 Lubricants UK Limited and Castrol Limited entered into a 10 year period agreement whereby Castrol Limited provides to the entity right of use to certain intellectual property (IP) of Castrol Limited.
[b]AUC = assets under construction. Assets under construction are not depreciated.
Other intangible assets are softwares that the company uses.

Based on the available forecast for the global Castrol business, as a result of factors including geopolitical conflict, acceleration of EV vehicles usage and increased central costs, the company now expects to derive lower income from the IP intangible asset than was expected upon its initial recognition. Recoverable amount of the IP intangible asset was determined based on a discounted cash flow model which used a 8-years discounted cash flows forecast and 11% pre-tax discount rate.

Recoverable amount of the IP asset of £1,180 million was higher than the asset book value of £1,098 million as at 31 December 2024, so accordingly £82 million impairment has been reversed.

Recoverable amount was calculated based on the most recent forecast approved by management at Castrol and at bp. Several sensitivity scenarios have been tested which demonstrate the effect of changes in the turnover and costs assumptions for the value of the IP. The objective of the sensitivity analysis is to test whether a reasonably possible change to a key assumption on which management has based its determination of recoverable amount would cause the carrying amount to exceed its recoverable amount.
Management considers Head Office costs, Recharges, Turnover and RCOP to be the key sources of estimation uncertainty in determining the recoverable amount of the investment.

Key elements for determining recoverable amount are the following:

1. Head Office costs: 10% decrease would increase the recoverable amount from base case £1,180m to £1,221m, while 10% increase would decrease the recoverable amount to £1,139m.
2. Recharges: 10% decrease would increase the recoverable amount from base case £1,180m to £1,255m, while 10% increase would decrease the recoverable amount to £1,105m.
3. Turnover of the regions: 10% decrease in Turnover (and 9% decrease in RCOP, considering flat costs) would increase the recoverable amount from base case 1,180m to £1,431m, while 10% increase in Turnover (and 9% increase in RCOP, considering flat costs) would decrease the recoverable amount to £933m.
4. RCOP of the regions: 10% decrease would decrease the recoverable amount from base case 1,180m to £867m, while 10% increase would increase the recoverable amount to £1,493m.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

13. Tangible assets

	Land & buildings	Fixtures & fittings	Plant & machinery	Total	Of which AUC
Cost - owned tangible assets	£000	£000	£000	£000	£000
At 1 January 2024	23,862	11,869	54,708	90,439	26,221
Additions	2,138	868	25,404	28,410	28,410
Additions - other	(3)	—	4,909	4,906	—
Transfers	3	—	(4,836)	(4,833)	(4,833)
At 31 December 2024	26,000	12,737	80,185	118,922	49,798
Depreciation - owned tangible assets					
At 1 January 2024	13,454	10,783	14,640	38,877	—
Charge for the year	555	148	2,854	3,557	—
At 31 December 2024	14,009	10,931	17,494	42,434	—
Owned tangible assets - net book value					
At 31 December 2024	11,991	1,806	62,691	76,488	—
Right-of-use assets - net book value					
At 31 December 2024	—	—	—	—	—
Total tangible assets net book value					
At 31 December 2024	11,991	1,806	62,691	76,488	49,798
Total net book value					
At 31 December 2023	10,517	1,086	40,068	51,671	26,221
Depreciation charge for the year on right-of-use assets					
2024	1	—	—	1	—
2023	13	—	—	13	—

Land and buildings are freehold assets.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

14. Investments

	Investment in joint ventures
Cost	£000
At 1 January 2023	—
Additions	712
At 31 December 2023	712
At 1 January 2024	712
Equity contributions in joint ventures	(42)
At 31 December 2024	670
Impairment losses	
At 1 January 2023	—
At 31 December 2023	—
At 1 January 2024	—
Charge for the year	(670)
At 31 December 2024	(670)
Net book amount	
At 31 December 2024	—
At 31 December 2023	712

In addition to the above, Lubricants UK Limited has a £1 investment in Castrol Offshore Limited which represents 100% of the ordinary share capital.

The investment was related to a car maintenance premise opened together with Goodyear and accounted for as joint venture. Historically that was recognised as part of fixed assets and reclassified to Investment in 2023. During 2024, £42 thousand equity contribution has been received from the partner and the remaining balance has been fully impaired.

The investments in subsidiary and joint venture are all stated at cost less provision for impairment.
The investments in subsidiary and joint venture are unlisted.
The group undertakings of the company at 31 December 2024 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
Castrol Offshore Limited	Ordinary	100	Chertsey Road Sunbury on Thames Middlesex TW16 7BP United Kingdom	Non-trading company

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

15. Stocks

	2024	2023
	£000	£000
Trading stocks	5,376	6,208
	5,376	6,208

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

16. Debtors

Amounts falling due within one year:

	2024	2023
	£000	£000
Trade debtors	7,978	21,052
Amounts owed from fellow subsidiaries	283,630	220,737
Other debtors	10,963	5,143
Prepayments and accrued income	12,410	14,409
	314,981	261,341

Amounts falling due after one year:

	2024	2023
	£000	£000
Amounts falling due after one year:		
Prepayments and accrued income	2,883	7,322
	2,883	7,322
Total debtors	317,864	268,663

The amounts owed from fellow subsidiaries comprise mainly Residual, Market support and Procurement fee open items (£166 million), Marketing, Technology and Group Recharges (£109 million) and other open intercompany invoices from various partners (£9 million).

Amounts owed from group undertakings are pre-dominantly non-interest bearing and have repayment terms in 30 days.

Prepayment and accrued income in the after one year category has decreased due to long-term rebate paid to Jaguar Land Rover in advance, which will end in March 2026.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

17. Creditors

Amounts falling due within one year:

	2024	2023
	£000	£000
Trade creditors	28,607	31,345
Amounts owed to parent undertakings	—	123
Amounts owed to fellow subsidiaries	474,552	338,898
Other creditors	8,827	4,533
Accruals and deferred income	20,953	19,995
Obligations under leases	13	13
	532,952	394,907

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

The amounts owed to group undertakings comprise an Internal Funding Account (IFA) of £326,694,775 (2023 £242,891,103).

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

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

The amounts owed to fellow subsidiaries also includes open group recharges and residual income related items (£86 million) and 2024 related IP right of £48 million that needs to be paid to Castrol Limited.

Amounts falling due after one year:

	2024	2023
	£000	£000
Obligations under leases	91	103
Total creditors	533,043	395,010

The balance contains lease obligations.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

18. Other provisions

	Environmental	Other	Restructuring	Total
	£000	£000	£000	£000
At 1 January 2024	25,519	33	—	25,552
Unwinding of discount	1,008	—	—	1,008
Write-back of unused provisions	—	—	(543)	(543)
Charged to profit and loss account	(254)	—	1,198	944
Utilization	(2,629)	(33)	(91)	(2,753)
At 31 December 2024	23,644	—	564	24,208
At 31 December 2024				
Current	—	—	564	564
Non-current	23,644	—	—	23,644
	23,644	—	564	24,208
At 31 December 2023				
Current		33	—	33
Non-current	25,519	—	—	25,519
	25,519	33	—	25,552

Environmental provision is related to the accountability the company has for performing environmental remediation works to a site located in the UK.
Sensitivity scenarios have been tested which demonstrate the effect of changes in discount rate.
A 0,5% point increase from the base case 4,5% discount rate would reduce the provision amount with £300 thousand from base case £23,644 thousand.
A 1% point decrease from the base case 4,5% discount rate would increase the provision amount with £600 thousand from base case £23,644 thousand.
Other provision was related to a legal case regarding a personal injury claim, that has been settled during 2024.
Restructuring provision open balance at 2024 year-end is related to Finance related rationalization program, announced during 2024.

19. Called up share capital

	2024	2023
	£000	£000
Issued and fully paid:		
750,000,000 ordinary shares of £1 each for a total nominal value of £750,000,000	750,000	750,000
	750,000	750,000

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

20. 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.

Other reserves
The balance on the other reserve account represents the effect of share-based payment equity settled transactions that arise from BP p.l.c. These are distributable reserves.
The company has not declared any dividends during the year (2023 £0 dividend, but in 2023, £3,000 million share capital has been received and subsequently reduced to other reserves.).

Profit and loss account
The balance held on this reserve is the accumulated losses of the company.

21. 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.

22. Pension and Other Post-Employment Benefits

The company operates a post-employment benefit plan. The employment contract of certain present and former employees of the company entitles them to free private medical insurance post-retirement. The company pays these premiums on behalf of the former employees.

The obligation and the cost of providing post-employment benefits are assessed annually using the projected unit credit method. The most recent actuarial valuation for the Burmah Castrol Post-employment Healthcare Plan was as at 31 December 2024.

The material financial assumptions used to estimate the benefit obligations are set out below. The assumptions are reviewed by management at the end of each year, and are used to evaluate the accrued benefit obligation at 31 December and pension expense for the following year:

		%
	2024	2023
Financial assumption used to determine benefit obligation		
Discount rate for other post-retirement pension plan liabilities	**5.6**	**4.8**

Our assumption for the future healthcare cost trend rate for the first year (i.e. the year after the balance sheet date) reflects the rate of actual cost increases seen in recent years. The ultimate trend rate reflects our long-term expectations of what cost inflation will stabilise at based on past healthcare cost inflation seen over a longer period of time. The assumed future healthcare cost trend rate assumptions are as follows:

		%
	2024	2023
Financial assumption used to determine benefit obligation		
Initial healthcare cost trend rate	**10.50**	**8.55**
Ultimate healthcare cost trend rate	**6.50**	**5.10**
Year in which ultimate trend rate is reached	**2027**	**2025**

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

22. Pension and Other Post-Employment Benefits (continued)

In addition to the financial assumptions, we regularly review the demographic and mortality assumptions. The mortality assumptions reflect best practice in the UK and have been chosen with regard to the latest available published tables adjusted where appropriate to reflect experience of the company and an extrapolation of past longevity improvements in the future. Our mortality assumptions as follows:

Years

	2024	2023
Mortality assumptions		
Life expectancy at age 60 for a male currently aged 60	**27.0**	**27.4**
Life expectancy at age 60 for a male currently aged 40	**28.6**	**28.9**
Life expectancy at age 60 for a female currently aged 60	**29.0**	**29.2**
Life expectancy at age 60 for a female currently aged 40	**30.6**	**30.7**

£000

	2024	2023
Analysis of the amount charged to profit before interest and taxation		
Interest on plan liabilities	**765**	**840**
Other finance expense	**765**	**840**

	2024	2023
Analysis of the amount recognized in other comprehensive income		
Changes in demographic assumptions	**313**	**(409)**
Change in financial assumptions underlying the present value of the plan liabilities	**(1,953)**	**(324)**
Experience gains and losses arising on the plan liabilities	**2,048**	**1,155**
Remeasurements recognized in other comprehensive income	**408**	**422**

£000

	2024	2023
Movements in benefit obligation during the year		
Benefit obligation at 1 January	**(16,667)**	**(17,437)**
Interest cost on other post-employment benefit liabilities	**(765)**	**(840)**
Benefit payments	**1,512**	**1,188**
Remeasurements	**408**	**422**
Benefit obligation at 31 December	**(15,512)**	**(16,667)**

Sensitivity analysis

The discount rate assumption and assumed healthcare cost trend rate have a significant effect on the amounts reported. A one-percentage point change, in isolation, in certain assumptions as at 31 December 2024 for the company's plan would have had the effects shown in the table below. The effects shown for the expense in 2025 represent the finance expense.

	One percentage point	
	Increase	Decrease
Discount rate		
Effect on pension and post-employment benefit expense in 2025	**83**	**(96)**
Effect on pension and post-employment benefit obligation at 31 December 2024	**(1,036)**	**1,180**
Healthcare cost trend rate		
Effect on pension and post-employment benefit expense in 2025	**65**	**(58)**
Effect on pension and post-employment benefit obligation at 31 December 2024	**1,222**	**(1,094)**

One additional year of longevity in the mortality assumptions would increase the 2025 pension and other post-employment benefit expense by £59,000 and the pension benefit obligation at 31 December 2024 by £1,123,000.

DTT

Docusign Envelope ID: 85CEE782-9214-4771-BE5F-DCA83887E4A7

22. Pension and Other Post-Employment Benefits (continued)

Estimated future benefit payments and the weighted average duration of defined benefit obligations

The expected benefit payments, which exclude plan expenses, up until 2034 and the weighted average duration of the post-employment benefit obligations at 31 December 2024 are as follows:

Estimated future benefit payments	
2025	**1,526**
2026	**1,554**
2027	**1,551**
2028	**1,516**
2029	**1,477**
2030-2034	**6,618**
	years
Weighted average duration	**7.5**

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 obligation and the cost of providing pensions are assessed annually using the projected unit credit method. The most recent formal actuarial valuation for the BP Pension Fund was as at 31 December 2023. The date of the most recent actuarial review was 31 December 2024.

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 2023, have been reflected in the disclosures required by FRS 101 for the year ended 31 December 2024, 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.

23. Post balance sheet event

There were no post balance sheet events.

24. Immediate and ultimate controlling parent undertaking

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

DTT