

BP HOLDINGS CANADA LIMITED

(Registered No.08274009)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

Board of Directors: R Wheatley
D C W Meredith
C A McCann

The directors present the strategic report, their report and the audited financial statements for the year ended 31 December 2021.

STRATEGIC REPORT

Results

The loss for the year after taxation was \$1,108,139,000 which, when added to the accumulated loss brought forward at 1 January 2021 of \$2,579,123,000, gives a total accumulated loss carried forward at 31 December 2021 of \$3,687,262,000.

Principal activity and review of the business

The company was incorporated for the purpose of holding investments in Canada through its subsidiary in the Netherlands.

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

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
	\$000	\$000	%
Loss for the financial year	(1,108,139)	(2,633,616)	(58)
Total equity	2,312,739	3,420,878	(32)

The loss in the current year was primarily driven by an impairment of \$1,108,758,000 (2020 \$2,636,993,000) made against the company's investment in its subsidiary.

Section 172 (1) statement

This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the statement required under section 414CZA of the Companies Act 2006 (the "Act").

During the course of the year the following primary tasks were undertaken by the Board in line with the principal activities of the company:

- Defining and establishing purpose and strategy including, where relevant, having regard to the purpose, strategy, culture and values defined by BP p.l.c.
- Monitoring the potential challenges presented by the ongoing COVID-19 pandemic, having regard to the company's safe and reliable operations.
- Assessing principal and emerging risks relevant to the company.

STRATEGIC REPORT

Section 172 (1) statement (continued)

The table below demonstrates how the Board has discharged their duties under section 172(1):

Section 172(1)	Overview of performance against section 172(1)
a. The likely long-term consequences of the decision	When setting and delivering on the company's strategy, the directors have regard to the evolving environment in which the company operates and aims to promote the long term success and sustained economic viability of the company.
b. The interests of the company's employees	The company has no employees.
c. The need to foster the company's business relationships with suppliers, customers and others	During 2021, the directors reiterated their focus on engagement and fostering relationships with key stakeholders, as well as an increased focus on environment, social and governance ("ESG") matters.
d. The impact of the company's operations on the community and the environment	The directors are committed to bp's group wide policies and aims which protect the community, environment and its people.
e. The desirability to maintain the company's reputation for high standards of business conduct	In 2021 bp continued to operate under its sustainability frame launched in 2020, with aims and objectives linked to the UN Sustainable Development Goals. bp's values of safety, respect, excellence, courage and one team define how the bp group, including the company and its Board, conduct business. Furthermore, bp's code of conduct is based upon its values and it sets clear expectations for how bp, the company and the Board operate. The directors of the company continued to adhere, in good faith, to the bp code of conduct during the year to ensure the Board and the company maintain a reputation for high standards of business conduct. bp's code of conduct includes prohibitions on engaging in bribery or corruption in any form, in accordance with bp's group-wide anti-bribery and corruption policy and procedures. During the year, bp continued to engage suppliers and communicate expectations for managing bribery and corruption risk on behalf of bp, where relevant.
f. The need to act fairly between members of the company	The directors aim to balance the needs of various stakeholders when setting and delivering the company's strategy, having regard to long term value creation, including maximising long term shareholder value.

Further information on the bp group policies applicable to the company can be found in BP p.l.c.'s 2021 Annual Report and Form 20-F and the bp Sustainability Report 2021.

Stakeholder engagement

For further details on how the company has engaged with stakeholders, fostered relationships with them and how this has impacted decision making, please refer to the Engagement with Stakeholders Statement found in the Directors' Report.

The company's principal decisions

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

STRATEGIC REPORT

Principal risks and uncertainties

The company aims to deliver sustainable value by identifying and responding successfully to risks. Risk management is integrated into the process of planning and performance management for the bp group.

The risks listed below, separately or in combination, could have a material adverse effect on the implementation of the company's strategy, business, financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation. Unless stated otherwise, further details on these risks are included within the risk factors in the strategic report of the bp group Annual Report and Form 20-F for the year ended 31 December 2021.

Strategic and commercial risks

Geopolitical

The company is exposed to a range of political, economic and social developments and consequent changes to the operating and regulatory environment which 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 continued impact of the COVID-19 pandemic or any future epidemic or pandemic) may disrupt or curtail our operations, business activities or investments. These may in turn cause production to decline, limit our ability to pursue new opportunities, affect the recoverability of our assets and our related earnings and cash flow or cause us to incur additional costs, particularly due to the long-term nature of many of our projects and significant capital expenditure required.

Digital infrastructure and cybersecurity

Breach or failure of the company's or third parties' digital infrastructure or cyber security, including loss or misuse of sensitive information could damage its operations and reputation or increase costs.

Current geopolitical factors have increased these risks.

Insurance

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

Compliance and control risks

Ethical misconduct and non-compliance

Ethical misconduct or breaches of applicable laws by the company's businesses or its employees could be damaging to its reputation, and could result in litigation, regulatory action and penalties.

Regulation

Changes in the law and regulation could increase costs, constrain the company's operations and affect its business plans and financial performance.

Reporting


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

Financial risk management

The company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rates. Further details on these financial risks are included within Note 28 of the bp group Annual Report and Form 20-F for the year ended 31 December 2021.

STRATEGIC REPORT

Authorized for issue on behalf of the Board

DocuSigned by:

BE06D202E340425...
R Wheatley
Director

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

DIRECTORS' REPORT

BP HOLDINGS CANADA LIMITED

Directors

The present directors are listed on page 1.

R Wheatley and K A Thomson served as directors throughout the financial year. Changes since 1 January 2021 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
J C Lyons	—	6 April 2021
D C W Meredith	6 April 2021	—
K A Thomson	—	1 February 2022
C A McCann	1 February 2022	—

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 (2020 \$Nil). The directors do not propose the payment of a dividend (2020 \$Nil).

Financial instruments

In accordance with section 414C of the Companies Act 2006 the directors have included information regarding financial instruments as required by Schedule 7 (Part 6.1) of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in the strategic report under Financial risk management.

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, as well as the ongoing impact of COVID 19 were considered as part of the going concern assessment.

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

DIRECTORS' REPORT

Going concern (continued)

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

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

Future developments

The directors consider that, despite the uncertainties deriving from the current economic environment and the loss reported for the year, the company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved.

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

Stakeholder statement

Engagement with other stakeholders

The Board recognises the importance of considering and having regard to key stakeholders and their interests when making decisions. By thoroughly understanding the company's key stakeholder groups, the Board can successfully consider and address the needs of these stakeholders and foster good business relationships with them. The company considers its governments, shareholders, suppliers and communities within the countries it operates.

The Board are 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 its Board, affect a wide variety of individuals and organisations. The Board engages with its stakeholders, listening to their differing needs and priorities as an everyday part of business, and utilising the feedback received to inform the Board's decision-making.

As noted in the section 172(1) statement within the Strategic Report, responsibility for decisions that impact the entire bp group are taken by the Board of BP p.l.c. On behalf of the company, the bp group is a member of industry associations that offer opportunities to share good practices and collaborate on issues of importance. Additionally, the bp group works with governments on a range of issues that are relevant to its business, from regulatory compliance and understanding tax liabilities, to collaborating on community initiatives.

Regularly engaging with stakeholders is a priority for the company and the below table describes how the Board had regard to the need to foster relationships with the company's key stakeholders, how outcomes were considered and how concerns were identified and addressed during the reporting period. Further details of these decisions, and if applicable any principal decisions in relation to the stakeholders, are discussed in the section 172(1) statement:

DIRECTORS' REPORT

Engagement with other stakeholders (continued)

Stakeholders	Stakeholders' interests	How we have fostered relationships	How the fostering of relationships impacted decision making
<p>Suppliers</p>	<p>For the company to understand, and where feasible, meet the suppliers' needs and expectations.</p> <p>For the company to provide regular support to the suppliers in order to improve suppliers' systems and avoid defects and/or operational issues where feasible.</p> <p>To be part of a fair and respectful tender and supplier selection process.</p> <p>To be part of a valued supplier relationship centred around ethics and transparency.</p>	<p>The company maintains a number of bp group wide policies to ensure fair treatment of its current and potential suppliers.</p> <p>The bp group also conducts supplier site visits to build relationships and monitor how work is being carried out, ensuring that it meets the suppliers' and the bp group's expectations.</p>	<p>Management and/or, where significant, the Board are provided with updates on renewals and negotiations for existing and/or new supplier agreements. The information received supports effective decision making by the Board when considering the long term consequences on relationships with suppliers.</p> <p>On an exceptional basis, the directors will engage with suppliers through means of the procurement teams in the case of any escalation.</p> <p>bp's supplier site visits are intended to be mutually beneficial in terms of improvement and learning opportunities.</p>

DIRECTORS' REPORT

<p>Community and environment</p>	<p>The directors' relationships on behalf of the company with respect to communities are important for all its activities, but particularly for major new projects where its presence may bring about changes in the local areas.</p> <p>To conduct business in a manner to be respectful and conscientious of the financial environment.</p> <p>To take into account the interest of the local community when considering future investments and business decisions.</p>	<p>The company maintains a number of bp group wide policies to promote sustainable and environmentally friendly business and operational practises.</p> <p>The directors engage with local communities through public consultations and meetings with local representatives and complete impact assessments where relevant. The directors also consult with NGOs, academics and industry associations, drawing on their external expertise, input and challenge.</p>	<p>Management and/or, where significant, the Board are provided with updates on the environmental impact of the company's business operations. The information received supports effective decision making by the Board when considering the long term consequences on the environment and local communities.</p> <p>By following and implementing the bp group wide sustainability policy, the company has been able to measure and manage its impact on the community and environment in which it operates.</p>
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DIRECTORS' REPORT

Shareholder	<p>The company is 100% owned by BP p.l.c.</p> <p>The company is committed to maximising long term shareholder value, in whatever form, when taking its decisions.</p>	<p>bp group functions, across Tax, Treasury and Finance, in conjunction with senior management, make recommendations to declare dividends, where relevant, via a thorough feasibility analysis process as part of its System of Internal Control, ensuring the appropriate amount of dividend and associated impact are duly considered.</p> <p>The company reports to its shareholder on a regular basis in the form of its financial statements and, where applicable, its business, strategic plans and key risks.</p>	<p>One of the company's strategic aims is to pursue strategic growth to maximise long term value for its shareholder.</p> <p>The company's compliance with the bp group's System of Internal Control assists the Board when considering whether to declare dividends, the amount of dividend and any associated impact. Specifically, the Board will review relevant internal functional assurance advice notes when considering the declaration of a dividend to its shareholder.</p>
Government	<p>For the company to create valued relationships with Government centred around ethics and transparency, and discuss relevant regulations and guidance where necessary.</p>	<p>The company keeps the Government informed of any significant changes to the company.</p>	<p>Management and/or, where significant, the Board are provided with updates on changes in regulation and/or legislation impacting the company. The information received supports effective decision making by the Board when considering the company's compliance with said regulations and/or legislation.</p> <p>The company continually engages with local government bodies and/or regulators to ensure it is conducting itself in accordance with relevant laws/regulation to ensure its good standing, trust and respect in society and longevity.</p>

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 2021.

Auditors

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

DIRECTORS' REPORT


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

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

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

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

Authorized for issue on behalf of the Board

DocuSigned by:

BE06D202E340425...
R Wheatley
Director

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT
OF THE FINANCIAL STATEMENTS
BP HOLDINGS CANADA LIMITED**

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BP HOLDINGS CANADA LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BP Holdings Canada Limited (the company):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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, about their own identification and assessment of the risks of irregularities.

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 the UK Companies Act and relevant 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.

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 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.

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

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David Holtam FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP, Statutory Auditor

London, United Kingdom

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

BP HOLDINGS CANADA LIMITED

		<u>2021</u>	<u>2020</u>
	Note	\$000	\$000
Impairment of investments	7	(1,108,758)	(2,636,993)
Operating loss		<u>(1,108,758)</u>	<u>(2,636,993)</u>
Interest receivable and similar income	4	619	3,377
Loss before taxation		<u>(1,108,139)</u>	<u>(2,633,616)</u>
Tax on loss	5	—	—
Loss for the financial year		<u><u>(1,108,139)</u></u>	<u><u>(2,633,616)</u></u>

The loss of \$1,108,139,000 for the year ended 31 December 2021 was derived in its entirety from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

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

BALANCE SHEET

AS AT 31 DECEMBER 2021

BP HOLDINGS CANADA LIMITED

(Registered No.08274009)

	Note	<u>2021</u> \$000	<u>2020</u> \$000
Fixed assets			
Investments	7	<u>1,430,276</u>	<u>2,539,034</u>
Current assets			
Debtors: amounts falling due within one year	8	<u>882,463</u>	<u>881,844</u>
NET ASSETS		<u><u>2,312,739</u></u>	<u><u>3,420,878</u></u>
Capital and reserves			
Called up share capital	9	6,000,001	6,000,001
Profit and loss account	10	<u>(3,687,262)</u>	<u>(2,579,123)</u>
TOTAL EQUITY		<u><u>2,312,739</u></u>	<u><u>3,420,878</u></u>

Authorized for issue on behalf of the Board

DocuSigned by:



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R Wheatley

Director

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

BP HOLDINGS CANADA LIMITED

	Called up share capital (Note 9)	Profit and loss account (Note 10)	Total
	\$000	\$000	\$000
Balance at 1 January 2020	6,000,001	54,493	6,054,494
Loss for the financial year, representing total comprehensive income	—	(2,633,616)	(2,633,616)
Balance at 31 December 2020	6,000,001	(2,579,123)	3,420,878
Loss for the financial year, representing total comprehensive income	—	(1,108,139)	(1,108,139)
Balance at 31 December 2021	<u>6,000,001</u>	<u>(3,687,262)</u>	<u>2,312,739</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

BP HOLDINGS CANADA LIMITED

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

The financial statements of BP Holdings Canada Limited for the year ended 31 December 2021 were approved by the board of directors on _____ and the balance sheet was signed on the board's behalf by R Wheatley. BP Holdings Canada Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 08274009). The company's registered office is at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the provisions of the Companies Act 2006.

2. Significant accounting policies, judgements, estimates and assumptions

The significant accounting policies and critical accounting judgements, estimates and assumptions of the company are set out below.

Basis of preparation

These financial statements have been prepared in accordance with FRS 101. The financial statements have been prepared 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 12 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 paragraph 79(a)(iv) of IAS 1;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective;
- (e) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- (f) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c)-135(e) of IAS 36, Impairment of Assets;
- (h) the requirements of IFRS 7 Financial Instruments: Disclosures; and
- (i) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement.

NOTES TO THE FINANCIAL STATEMENTS

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

Basis of preparation (continued)

Where required, equivalent disclosures are given in the group financial statements of BP p.l.c. The group financial statements of BP p.l.c. are available to the public and can be obtained as set out in Note 12.

The financial statements are presented in US dollars and all values are rounded to the nearest thousand dollars (\$000), except where otherwise indicated.

Significant accounting policies: use of judgements, estimates and assumptions

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

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: impairment in investments.

The COVID-19 pandemic, climate change, the energy transition, bp's strategy to 2030 and ambition to become a net-zero company by 2050 or sooner were considered in preparing the bp group consolidated financial statements. These issues are not expected to have significant impacts on the currently reported amounts of the company's assets and liabilities.

Significant accounting policies

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, as well as the ongoing impact of COVID 19 were considered as part of the going concern assessment.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

Going concern (continued)

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

Foreign currency

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

As the company is considered to be an intermediate holding company, and therefore an extension of its parent company, its functional currency is the same as its parent company.

Investments

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

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

Significant judgements and estimates: impairment of investments

Determination as to whether, and how much, an investment is impaired involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products.

See Note 7 for details of assumptions used.

Financial assets

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

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

Financial assets measured at amortized cost

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

NOTES TO THE FINANCIAL STATEMENTS

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

Impairment of financial assets measured at amortized cost

The company assesses on a forward-looking basis the expected credit losses associated with financial assets classified as measured at amortized cost at each balance sheet date. Expected credit losses are measured based on the maximum contractual period over which the company is exposed to credit risk. As lifetime expected credit losses are recognized for trade receivables and the tenor of substantially all 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.

Taxation

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

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

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

Interest income

Interest income is recognized as the interest accrues.

Updates to significant accounting policies

Impact of new International Financial Reporting Standards

bp adopted amendments to IFRS 9 "financial instruments - Interest Rate Benchmark Reform (Phase II)", IFRS 16 "Leases" with effect from 1 January 2021. There are no other new or amended standards or interpretations adopted during the year that have a significant impact on the company's financial statements.

The adoption of 'Interest Rate Benchmark Reform – Phase II' – Amendments to IFRS 9 'Financial instruments', IFRS 16 'Leases' has had no material impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3. Auditor's remuneration

	<u>2021</u>	<u>2020</u>
	\$000	\$000
Fees for the audit of the company	<u>19</u>	<u>12</u>

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

The fees were borne by another group company.

4. Interest receivable and similar income

	<u>2021</u>	<u>2020</u>
	\$000	\$000
Interest income from amounts owed by group undertakings	<u>619</u>	<u>3,377</u>

5. Taxation

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

Reconciliation of the effective tax rate

The tax assessed on the loss for the year is lower than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2021 (2020 19%). The differences are reconciled below:

	<u>2021</u>	<u>2020</u>
	\$000	\$000
Loss before taxation	(1,108,139)	(2,633,616)
Tax charge / (credit)	—	—
Effective tax rate	— %	— %
	<u>2021</u>	<u>2020</u>
	%	%
UK statutory corporation tax rate:	19	19
Increase / (decrease) resulting from:		
Non-deductible expenditure	<u>(19)</u>	<u>(19)</u>
Effective tax rate	<u>—</u>	<u>—</u>

Change in corporation tax rate

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

NOTES TO THE FINANCIAL STATEMENTS

6. 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 (2020 \$Nil).

(b) Employee costs

The company had no employees during the year (2020 None).

7. Investments

	Investment in subsidiaries
Cost	<u>\$000</u>
At 1 January 2020	5,176,027
At 31 December 2020	<u>5,176,027</u>
At 1 January 2021	<u>5,176,027</u>
At 31 December 2021	<u>5,176,027</u>
Impairment losses	
At 1 January 2020	—
Charge for the year	(2,636,993)
At 31 December 2020	<u>(2,636,993)</u>
At 1 January 2021	(2,636,993)
Charge for the year	(1,108,758)
At 31 December 2021	<u>(3,745,751)</u>
Net book amount	
At 31 December 2021	<u>1,430,276</u>
At 31 December 2020	<u>2,539,034</u>

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

An impairment of \$1,108,758,000 (2020 \$\$2,636,993,000) was booked to write down the company's investment in BP Canada International Holdings B.V. to its recoverable amount, given that the share of net assets was significantly lower than the cost of investment. This was due to an impairment charge booked during the year against upstream assets in its underlying operating companies as a result of anticipated portfolio changes. The details of the sale of certain of bp's interests in Canada was announced subsequently on 13 June 2022.

The investment in the subsidiary undertakings are unlisted.

The subsidiary undertakings of the company at 31 December 2021 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.

NOTES TO THE FINANCIAL STATEMENTS

7. Investments (continued)

Subsidiary undertakings

Company name	Class of share held	%	Registered address	Principal activity
BP Canada International Holdings B.V.	Ordinary shares	100.00	d'Arcyweg 76 3198 NA Europoort Rotterdam Netherlands	Exploration and manufacturing of petrochemical products

Significant holdings in undertakings other than subsidiary undertakings

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

Related undertakings	Holding %	Registered address	Direct / indirect
BP Canada Energy Group ULC	100.00	900, 1959 Upper Water Street Halifax NS B3J 3N2 Canada	Indirect
563916 Alberta Ltd.	99.90	240 - Fourth Avenue SW Calgary AB T2P 4H4 Canada	Indirect
BP Canada Energy Development Company	100.00	900, 1959 Upper Water Street Halifax NS B3J 3N2 Canada	Indirect
Dome Beaufort Petroleum Limited	100.00	240 - Fourth Avenue SW Calgary AB T2P 4H4 Canada	Indirect
Dome Wallis (1980) Limited Partnership	92.50	240 - Fourth Avenue SW Calgary AB T2P 4H4 Canada	Indirect
Sunrise Oil Sands Partnership	50.00	707 - 8th Avenue SW Calgary AB T2P 1H5 Canada	Indirect
Terre de Grace Partnership	75.00	1100, 635 - 8th Avenue SW Calgary AB T2P 3M3 Canada	Indirect

8. Debtors

Amounts falling due within one year:

	2021	2020
	\$000	\$000
Amounts owed from fellow subsidiaries	<u>882,463</u>	<u>881,844</u>

The amounts owed from fellow subsidiaries comprise a variable rate Internal Financing Account (IFA) of \$882,463,000 (2020 \$881,844,000). Interest is accrued on a monthly basis based on LIBOR, primarily USD LIBOR.

Whilst IFA balances are legally repayable on demand, in practice they have no termination date.

9. Called up share capital

	2021	2020
	\$000	\$000
Issued and fully paid:		
6,000,001,000 ordinary shares of \$1 each for a total nominal value of \$6,000,001,000	<u>6,000,001</u>	<u>6,000,001</u>

NOTES TO THE FINANCIAL STATEMENTS

10. Reserves

Called up share capital

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

Profit and loss account

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

11. Related party transactions

The company has taken advantage of the exemption contained within paragraphs 8(k) and (j) of FRS 101, and has not disclosed transactions entered into with wholly-owned group companies or key management personnel. There were no other related party transactions in the year.

12. Immediate and ultimate controlling parent undertaking

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