BRITANNIC STRATEGIES LIMITED
(Registered No. SC123106)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

Board of Directors: B M Puffer
S H Weintraub
S Boss-Walker

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 $2,966,000 which, when added to the accumulated loss brought forward at 1 January 2021 of $47,803,000 gives an accumulated loss carried forward at 31 December 2021 of $50,769,000.

Principal activities and review of the business

The company is engaged in precious metals trading and also invests in business opportunities in the United Kingdom, Middle East, South East Asia and West Africa.

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

	2021	2020 Restated	Variance
	$000	$000	%
Net trading gain	946	751	26
Operating loss	(4,801)	(22,783)	(79)
Loss for the financial year	(2,966)	(20,391)	(85)
Total equity	155,295	158,261	(2)

	2021	2020	Variance
	%	%	
Quick ratio*	3,470	5,435	(20)

*Quick ratio is defined as current assets (excluding stocks, debtors falling due after one year, derivatives and other financial instruments falling due after one year and deferred tax assets) divided by current liabilities.

The increase in net trading gain is due to higher margins in the company's precious metals trading.

Operating loss and loss for the financial year are mainly contributed by impairment on assets classified as held for sale of $6,024,000 (2020 $21,127,000). The impairment was made after assessing the net consideration to be received by the company.

The decrease in total equity is attributable to the loss reported for the financial year.

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.

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. In addition, the Board reviewed and considered the company's Modern Slavery Statement and disclosed its practices in respect of the same on an annual basis.
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.

Section 172 (1) statement (continued)

Section 172(1)	Overview of performance against section 172(1)
f. The need to act fairly between stakeholders 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

The company and the bp group have taken the view that a 'principal' decision is one which is material and strategic in nature and would affect the ability of the company to generate or preserve value over the long term.

During the period, the following principal decisions were taken by the company whilst having regard to the company's stakeholders and other relevant factors:

Principal decision	The relevant factors taken into account during the decision making process
During the year, the directors considered and approved the incorporation of a new subsidiary company in Spain, named BP Energy Solutions Sociedad de Valores, S.A.	The directors considered the impact of such a decision on the long-term prospects of the company, with the decision to invest in BP Energy Solutions Sociedad de Valores, S.A. most likely to promote the success of the company for the benefit of its members.
The company entered into Convertible Loan Agreement with Gasrec Ltd, a joint venture partially owned by the company, to support Gasrec Ltd's growth and to facilitate bp securing rights to the supply of biomethane.	The directors considered the impact of such a decision of the company having regard to its business relationship with Gasrec Ltd as per s172(1)(c) whilst ensuring it conducts business to the highest standards, acting ethically and transparently as guided by bp's values and code of conduct, as per s172(1)(e). The directors also considered that the agreement underpinned the company's desire to consider the impact of the company's operations on the community and the environment.
The company entered into Convertible Loan Agreement with Wega Group Oy, a third party with whom the bp group have an existing fuels relationship, to support bp's biogas business.	The directors considered the impact of such a decision of the company having regard to its business relationship with Wega Group Oy as per s172(1)(c) whilst ensuring it conducts business to the highest standards, acting ethically and transparently as guided by bp's values and code of conduct, as per s172(1)(e). The directors also considered that the agreement underpinned the company's desire to consider the impact of the company's operations on the community and the environment.

Section 172 (1) statement (continued)

The company's principal decisions (continued)

Principal decision	The relevant factors taken into account during the decision making process
The company entered into Share Transfer Agreement with SKA Energy FZE to sell the company's 50% interest in SKA Energy Holdings Limited for $9 million.	The directors considered the impact of such a decision on the long-term prospects of the company, with the decision to divest SKA Energy Holdings Limited most likely to promote the success of the company for the benefit of its members.
The company entered into Share Transfer Agreements with a number of third parties to purchase 30% of the issued share capital in Green Biofuels Limited for total aggregate consideration of £10 million.	The directors considered the impact of such a decision on the long-term prospects of the company, with the decision to invest in Green Biofuels Limited most likely to promote the success of the company for the benefit of its members. The directors also considered that the agreement underpinned the company's desire to consider the impact of the company's operations on the community and the environment.

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

Prices and markets

The company's financial performance is subject to fluctuating prices of metals, oil, gas, petrochemicals and refined products, technological change, 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, increased supply of oil and gas or alternative low carbon energy sources, technological change, global economic conditions, public health situations (including the continued impact of the COVID-19 pandemic or any future epidemic or pandemic) and the influence of OPEC can impact supply and demand and prices for our products.

Major project delivery

Poor investment choice, efficiency or delivery, or operational challenges at any major project that underpins production or production growth, could adversely affect our financial performance.

Strategic and commercial risks (continued)

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.

Events in, or relating to Russia and the conflict in Ukraine, including trade restrictions, international sanctions or any other actions taken by governmental authorities or other relevant persons will adversely impact the company's business activities and operations in or relating to Russia, could reduce financial liquidity and adversely impact the company's finances.

Liquidity, financial capacity and financial, including credit, exposure

Failure to work within the financial framework set by the bp group could impact the company's ability to operate and result in financial loss.

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.

Climate change and the transition to a lower carbon economy

Developments in policy, law, regulation, technology and markets including societal and investor sentiment, related to the issue of climate change could increase costs, constrain the company's operations and affect our business plans and financial performance.

Competition

Inability to remain efficient, maintain a high-quality portfolio of assets, innovate and retain access to an appropriately skilled workforce (who may be employed by another bp group company), could negatively impact delivery of the company's strategy in a highly competitive market.

Crisis management and business continuity

Potential disruption to the company's business and operations could occur if it does not address an incident effectively.

Insurance

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

Safety and operational risks

Security

Hostile acts against the company's activities could cause harm to people and disrupt its operations.

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.

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

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 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 28 of the bp group Annual Report and Form 20-F for the year ended 31 December 2021.

Authorized for issue on behalf of the Board

DocuSigned by:
Brian Puffer
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B M Puffer
Director

September 8, 2022

Registered Office:

1 Wellheads Avenue
Dyce
Aberdeen
AB21 7PB
United Kingdom

DIRECTORS' REPORT

BRITANNIC STRATEGIES LIMITED

Directors

The present directors are listed on page 1.

B M Puffer and S H Weintraub served as directors throughout the financial year. Changes since 1 January 2021 are as follows:

	Appointed	Resigned
D J Bucknall	—	30 September 2021
S Boss-Walker	30 September 2021	—

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.

Post balance sheet events

On 27 February 2022, following Russia’s military action in Ukraine, the board of the company's ultimate parent undertaking, BP p.l.c., announced that bp intends to exit its 19.75% shareholding in Rosneft Oil Company (Rosneft) a Russian oil and gas company and its other businesses with Rosneft within Russia. The Russian-Ukraine conflict and the related economic and trade sanctions have not had any significant impact of the company's main performance indicators nor on its operations.

Subsequent to the year end, a third party debtor has defaulted on a loan repayment. The loan balance outstanding as at year end was $6,721,000, out of which a total repayment of $1,200,000 was subsequently received by the company before the default occurred. The directors continue to monitor the development and its impact on the company, and consider this to be a non-adjusting post balance sheet event.

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. For further information on financial risk factors, including credit risk and liquidity risk, see on pages 4-6.

The company is in net assets and net current assets position as at 31 December 2021. The company also has ongoing funding arrangements with BP International Limited to manage its working capital as well as its investing activities. The directors' assessment has taken into account the ability of both the company and bp group to ensure availability of funds at least twelve months from the date of approval of these financial statements.

In assessing the prospects of Britannic Strategies 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 statements

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, regulators, shareholders, customers, 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:

Stakeholders	Stakeholders' interests	How we have fostered relationships	How the fostering of relationships impacted decision making
Suppliers	For the company to understand, and where feasible, meet the suppliers' needs and expectations. 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. To be part of a fair and respectful tender and supplier selection process. To be part of a valued supplier relationship centred around ethics and transparency.	The company maintains a number of bp group wide policies to ensure fair treatment of its current and potential suppliers. 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.	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. On an exceptional basis, the directors will engage with suppliers through means of the procurement teams in the case of any escalation. bp's supplier site visits are intended to be mutually beneficial in terms of improvement and learning opportunities.

Stakeholder statements

Engagement with other stakeholders

Stakeholders	Stakeholders' interests	How we have fostered relationships	How the fostering of relationships impacted decision making
Customers	For the company to provide its customers with top quality services. For the company to build a trusted relationship with its customers. Ensuring the safe execution of products and services provided to its customers and that any claims in relation to the same, are addressed and resolved. Ensuring that customer data is kept in a secure environment and only for the duration and purposes that the data is required for.	The company maintains a number of bp group wide policies to ensure the ongoing security of customer data, safe execution and quality of the products and services and a continued trusted relationship with its customers. On behalf of the company, the bp group also seeks to engage with customers through forums such as social media, focus bp groups and in-depth interviews with customers to better understand customer's needs and seek their feedback.	Management and/or, where significant, the Board are provided with updates on renewals and negotiations for existing and/or new customer contracts. The information received supports effective decision making by the Board when considering the long term consequences on relationships with its customers. By obtaining customer feedback and understanding our customers, it has allowed us to clarify the company's vision for future growth and ways to continually add brand value.
Community and environment	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, such as jobs and support for community development, changes in the physical landscape, changes to the local ecosystem. For the company to deliver high quality products and services in an energy efficient and environmentally responsible manner. To conduct business in a manner to minimise negative impact on the financial environment. To take into account the interest of the local community when considering future investments and business decisions.	The company maintains a number of bp group wide policies to promote sustainable and environmentally friendly business and operational practises. 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.	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. 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.

Stakeholder statements (continued)

Engagement with other stakeholders (continued)

Stakeholders	Stakeholders' interests	How we have fostered relationships	How the fostering of relationships impacted decision making
Shareholder	The company is 100% owned by BP International Limited. The company is committed to maximising long term shareholder value, in whatever form, when taking its decisions.	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. 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.	One of the company's strategic aims is to pursue strategic growth to maximise long term value for its shareholder. 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.
Government/ Regulators	For the company to create valued relationships with Regulators, such as the Financial Conduct Authority, centred around ethics and transparency, and discuss relevant regulations and guidance where necessary	The company keeps the Regulators informed of any significant changes to the company.	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. 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.

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' 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:
Brian Puffer
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B M Puffer
Director
September 8, 2022
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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

BRITANNIC STRATEGIES 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 BRITANNIC STRATEGIES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Britannic Strategies 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 19.

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.

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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 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.

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:
Rizwan Majid
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Rizwan Majid, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP, Statutory Auditor
London, UK
September 8, 2022

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

BRITANNIC STRATEGIES LIMITED

	Note	2021 $000	2020 Restated $000
Net trading gain	**3**	946	751
Dividend income		1,522	1,997
Administrative expenses		(304)	(1,760)
Impairment of fixed asset investments	**4**	(6,965)	(23,151)
Fair value loss on financial assets		—	(620)
Operating loss	**4**	(4,801)	(22,783)
Interest receivable and similar income	**6**	2,054	2,595
Interest payable and similar expenses	**7**	—	(136)
Loss before taxation		(2,747)	(20,324)
Tax on loss	**8**	(219)	(67)
Loss for the financial year		(2,966)	(20,391)

The loss of $2,966,000 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

BRITANNIC STRATEGIES LIMITED

(Registered No. SC123106)

	Note	2021 $000	2020 $000
Fixed assets			
Investments	**10**	62,233	20,539
Current assets			
Stocks	**11**	1	388
Debtors – amounts falling due:			
within one year	**12**	89,226	136,578
after one year	**12**	7,011	4,406
Cash at bank and in hand	**13**	78	—
		96,316	141,372
Creditors: amounts falling due within one year	**14**	(2,571)	(2,513)
Net current assets		93,745	138,859
TOTAL ASSETS LESS CURRENT LIABILITIES		155,978	159,398
Creditors: amounts falling due after more than one year	**14**	(683)	(1,137)
NET ASSETS		155,295	158,261
Capital and reserves			
Called up share capital	**15**	206,064	206,064
Profit and loss account	**16**	(50,769)	(47,803)
TOTAL EQUITY		155,295	158,261

Authorized for issue on behalf of the Board

DocuSigned by:
Brian Puffer
EC879D8CBF4E4FF...

B M Puffer
Director
September 8, 2022

Included within Net Assets are the following assets classified as held for sale (see note 12).

	2021 $000	2020 $000
Assets classified as held for sale	3,000	9,024

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

BRITANNIC STRATEGIES LIMITED

	Called up share capital (Note 15)	Profit and loss account (Note 16)	Total
	$000	$000	$000
Balance at 1 January 2020	206,064	(27,412)	178,652
Loss for the financial year, representing total comprehensive income	—	(20,391)	(20,391)
Balance at 31 December 2020	206,064	(47,803)	158,261
Loss for the financial year, representing total comprehensive income	—	(2,966)	(2,966)
Balance at 31 December 2021	206,064	(50,769)	155,295

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

The financial statements of Britannic Strategies Limited for the year ended 31 December 2021 were approved by the board of directors on 5 September 2022 and the balance sheet was signed on the board's behalf by B M Puffer. Britannic Strategies Limited is a private company, limited by shares incorporated, domiciled and registered in Scotland (registered number SC123106). The company's registered office is at 1 Wellheads Avenue, Dyce, Aberdeen, AB21 7PB, 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. 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 19 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;
(i) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement; and

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

Basis of preparation (continued)

(j) the requirement of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

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 19.

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 accounting judgements and estimates that have a significant impact on the results of the company are set out within the boxed text below, and should be read in conjunction with the information provided in the Notes to the financial statements.

The area requiring the most significant judgement and estimation in the preparation of the financial statements is impairment of investments and impairment of financial assets measured at amortized cost.

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.

Impairment of financial assets measured at amortized cost

The current economic environment and future credit risk outlook have been considered in updating the estimate of expected credit loss allowances on financial assets measured at amortized cost and no significant impact was determined relative to the total expected credit loss allowances recognized as at 31 December 2021. Management does not consider the calculation of expected credit loss allowances to be a significant accounting estimate.

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

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. For further information on financial risk factors, including credit risk and liquidity risk, see pages 4-6.

The company is in net assets and net current assets position as at 31 December 2021. The company also has ongoing funding arrangements with BP International Limited to manage its working capital as well as its investing activities. The directors' assessment has taken into account the ability of both the company and bp group to ensure availability of funds at least twelve months from the date of approval of these financial statements.

In assessing the prospects of Britannic Strategies 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.

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

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.

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

Investments

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

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

All other fixed asset investments are stated in the financial statements at cost less provisions for impairment.

For other investments in equity instruments, please see the policy for financial assets below.

Interests in joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in associates

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

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

Investments (continued)

Significant judgement: interests in other entities

Judgement is required in assessing the level of control or influence over another entity in which the company holds an interest. Depending upon the facts and circumstances in each case, the company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the company control of a business are business combinations. If the company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then accounted for as an associate held at cost.

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 10 for details of assumptions used.

Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Significant non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

If a non-current asset or disposal group has been classified as held for sale, but subsequently ceases to meet the criteria to be classified as held for sale, the company ceases to classify the asset or disposal group as held for sale. Non-current assets and disposal groups that cease to be classified as held for sale are measured at the lower of the carrying amount before the asset or disposal group was classified as held for sale (adjusted for any depreciation, amortization or revaluation that would have been recognized had the asset or disposal group not been classified as held for sale) and its recoverable amount at the date of the subsequent decision not to sell. Any adjustment to the carrying amount is recognized in profit or loss in the period in which the asset ceases to be classified as held for sale.

Stocks

Stocks, other than stocks held for trading purposes, are stated at the lower of cost and net realizable value. Cost is determined by the first-in first-out method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Net realizable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Net realizable value is determined by reference to prices existing at the balance sheet date, adjusted where the sale of inventories after the reporting period gives evidence about their net realizable value at the end of the period.

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

Stocks (continued)

Stocks held for short-term trading purposes are stated at fair value less costs to sell and any changes in fair value are recognized in the profit and loss account.

Supplies are valued at the lower of cost on a weighted average basis and net realizable value.

Financial assets

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

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

Financial assets measured at amortized cost

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

Investments in equity instruments

Investments in equity instruments are subsequently measured at fair value through profit or loss unless an election is made on an instrument-by-instrument basis to recognize fair value gains and losses in other comprehensive income. The company does not have any investments for which this election has been made.

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.

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

Financial liabilities

The measurement of financial liabilities is as follows:

Financial liabilities measured at amortized cost
Financial liabilities are initially recognized at fair value, net of directly attributable transaction costs.

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 trade and other payables.

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.

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.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, where the company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Significant accounting policies, 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. An exception is where the deferred tax asset relates to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination, 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 deductive temporary differences.

In respect of deductible temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

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

Judgement is required when determining whether a particular tax is an income tax or another type of tax (for example a production tax). Accounting for deferred tax is applied to income taxes as described above, but is not applied to other types of taxes; rather such taxes are recognized in the profit and loss account in accordance with the applicable accounting policy such as Provisions and contingent liabilities.

Sales taxes

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 sales tax except:

- 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 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.

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

Net trading gain

Physical exchanges with counterparties in the same line of business and to facilitate sales to customers are reported net, as are sales and purchases made with a common counterparty, as part of an arrangement similar to a physical exchange.

Revenue associated with the sale, and purchases of precious metals are included on a net basis in net trading gain / (loss).

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.

Finance costs

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

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.

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

Other changes to significant accounting policies

Voluntary change in accounting policy - Net presentation of revenues and purchases relating to physically settled derivative contracts from 1 January 2021

bp routinely enters into transactions for the sale and purchase of commodities that are physically settled and meet the definition of a derivative financial instrument. These contracts are within the scope of IFRS 9 and as such, prior to settlement, changes in the fair value of these derivative contracts are presented as gains and losses within other operating revenues. The group previously presented revenues and purchases for such contracts on a gross basis in the income statement upon physical settlement.

These transactions have historically represented a substantial portion of the revenues and purchases reported in the group's consolidated financial statements. The change in strategic direction of the group supported by organisational changes to implement the strategy from 1 January 2021, resulted in the group determining that the revenue and corresponding purchases relating to such transactions should be presented net, as gains or losses within other operating revenues, from that date. Physically settled derivative contracts were previously presented on a gross basis and included in other operating revenues and purchases; however, under the new accounting policy, such contracts will be presented on a net basis within other operating revenues to the extent that they relate to trading or optimization activities.

Additionally, the group's trading activity has continued to evolve over time from one of capturing third-party physical trades to provide flow assurance to one with increasing levels of optimisation, taking advantage of price volatility and fluctuations in demand and supply, which will continue under the new strategy, further supporting the change in presentation. The new presentation provides reliable and more relevant information for users of the accounts as the group's revenue recognition is more closely aligned with its assessment of 'Scope 3' emissions from its products, its 'Net Zero' ambition and how management monitors and manages performance of such contracts.

As a result of the group's change in accounting policy, the company's comparative information for turnover and cost of sales for 2020 has been restated as shown in the table below. There is no impact on comparative information for loss for the financial year.

	2020 As previously reported	2020 As restated – see Note 3	Presentational adjustments
	$000	$000	$000
Turnover	39,794	—	(39,794)
Cost of sales	(39,043)	—	39,043
Net trading gain	—	751	751

3. Net trading gain

Net trading gain, which is stated net of value added tax, represents amounts invoiced to and from third parties and group companies.

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

	2021	2020 Restated
	$000	$000
Net trading gain	946	751
Interest receivable and similar income (Note 6)	2,054	2,595
Dividend income	1,522	1,997
	3,576	4,592
	4,522	5,343

As detailed in Note 2, the comparative information for 2020 has been restated to reflect the voluntary change in accounting policy - Net presentation of revenues and purchases relating to physically settled derivative contracts.

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

	2021	2020 Restated
	$000	$000
Class of business:		
Other business and corporate	946	751

4. Operating loss

This is stated after (crediting) / charging:

	2021	2020
	$000	$000
Net foreign exchange (gains) / losses[a]	(31)	(121)
Impairment of fixed asset investments	6,965	23,151
Expected loss allowance on other financial assets measured at amortised cost[a]	290	(336)
Fair value loss on financial assets	—	620

[a] Amount is included in Administrative expenses

Impairments were recognised on the company's investment in OOO BP STL and SKA Energy Holdings Limited (SKA EH) amounting to $941,000 (2020 $Nil) and $6,024,000 (2020 $21,127,000) respectively. Further details are disclosed in Note 10 and Note 12 of these financial statements.

5. Auditor's remuneration

	2021	2020
	$000	$000
Fees for the audit of the company	47	43

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

The fees were borne by another group company.

6. Interest receivable and similar income

	2021	2020
	$000	$000
Interest income from amounts owed by group undertakings	86	395
Interest income from other financial assets measured at amortized cost	1,968	2,200
Total interest receivable and similar income	2,054	2,595

7. Interest payable and similar expenses

	2021	2020
	$000	$000
Interest expense on:		
Loans from group undertakings	—	136

8. Taxation

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

	2021	2020
Current tax	$000	$000
Overseas tax on income for the year	219	67
Tax charged on loss	219	67

(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 19% for the year ended 31 December 2021 (2020 19%). The differences are reconciled below:

	2021	2020
	$000	$000
Loss before taxation	(2,747)	(20,234)
Tax charge	(219)	(67)
Effective tax rate	8 %	— %

	2021	2020
	%	%
UK statutory corporation tax rate:	(19)	(19)
Increase / (decrease) resulting from:		
Non-taxable income	(11)	(2)
Overseas tax	8	—
Free group relief	(18)	(2)
Expenses not deductible for tax purposes	49	23
Movements in unrecognised deferred tax	(1)	—
Effective tax rate	8	—

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

Change in corporation tax rate

On 3 March 2021, the UK Government announced an increase to 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. The rate change was substantively enacted on 24 May 2021. As the company has not recognised a deferred tax asset at the balance sheet date, the impact of this rate change has not been calculated.

(b) Provision for deferred tax

Deferred tax has not been recognized on deductible temporary differences of $1,014,000 (2020 $1,183,000) relating to IFRS 9 transitional adjustments as these are not expected to give rise to any future tax benefit.

9. 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).

10. Investments

	Note	Investments in subsidiaries	Investments in associates	Investments in joint ventures	Loans to associates / joint ventures	Other investments	Total
Cost		$000	$000	$000	$000	$000	$000
1 January 2020		15,200	3,258	63,174	36,052	1,000	118,684
Additions		411	870	—	—	—	1,281
Disposals		—	—	—	(36,052)	—	(36,052)
Transfers		—	—	(58,174)	—	—	(58,174)
31 December 2020		15,611	4,128	5,000	—	1,000	25,739
1 January 2021		15,611	4,128	5,000	—	1,000	25,739
Additions		71	16,258	26,306	—	—	42,635
31 December 2021		15,682	20,386	31,306	—	1,000	68,374
Impairment losses							
1 January 2020		(5,030)	—	(28,023)	(36,052)	—	(69,105)
Charge for the year	**4**	(170)	—	(21,127)	—	—	(21,297)
Disposals		—	—	—	36,052	—	36,052
Transfers		—	—	49,150	—	—	49,150
31 December 2020		(5,200)	—	—	—	—	(5,200)
1 January 2021		(5,200)	—	—	—	—	(5,200)
Charge for the year	**4**	(941)	—	—	—	—	(941)
31 December 2021		(6,141)	—	—	—	—	(6,141)
Net book amount							
31 December 2021		9,541	20,386	31,306	—	1,000	62,233
31 December 2020		10,411	4,128	5,000	—	1,000	20,539

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

The investments in subsidiaries, associates and joint ventures are unlisted.

10. Investments (continued)

Additions during the year include the company's newly incorporated subsidiary, BP Energy Solutions Sociedad de Valores, S.A of $71,000; investments in associates, VAKT Holdings Limited and Green Biofuels Limited, of $2,969,000 and $13,289,000 respectively; and investments in joint ventures, BP SPG Energy Trading Co., Ltd. and Gasrec Ltd, of $10,748,000 and $15,558,000 respectively.

The investment in Gasrec Ltd relates to a Convertible Loan Agreement, which was subsequently converted to equity shares.

During the year, an impairment charge of $941,000 was recognised on the company's investment in a subsidiary, OOO BP STL, after having assessed that the company's share in the subsidiary's net assets was lower than the carrying value of the investment and the directors' intention for the subsidiary to cease trading.

In the previous year, an impairment charge of $170,000 was recognised on the company's investment in a subsidiary, Britannic Investments Iraq Limited. Pursuant to a sale and purchase agreement entered into with SKA Energy FZE on 15 October 2020, a further impairment of $21,127,000 was also recognised on the company's investment in SKA Energy Holding Limited (SKA EH) after having assessed that the consideration to be received is lower than the carrying value of the investment. The investment was reclassified as assets held for sale within debtors in Note 12.

The subsidiary and other undertakings of the company at 31 December 2021 and the percentage of equity capital held set out below are the investments which principally affected the profits or net assets of the company. 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
BP Africa Oil Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Investment Company
BP Carbon Trading Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Energy trading
BP Commodity Supply B.V.	Ordinary	100	d'Arcyweg 76 3198 NA Europoort Rotterdam Netherlands	Energy trading
BP Energy Australia Pty Ltd	Ordinary	100	Level 17, 717 Bourke Street, Docklands, VIC, 3008, Australia	Energy trading
BP Energy Solutions B.V.	Ordinary	100	d'Arcyweg 76, 3198 NA Europoort Rotterdam, Netherlands	Energy trading
BP Energy Solutions Sociedad de Valores, S.A	Ordinary	100	Avenida de la Transicion Espanola 30, Parque Empresarial Omega, Edificio D 28108 Alcobendas, Spain	Energy trading
BP Ghana Limited	Ordinary	100	PwC Tower, A4 Rangoon Lane, Cantonments City, PMB CT 42 Cantonments, Accra, Ghana	Investment Company

10. Investments (continued)

Subsidiary undertakings (continued)

Company name	Class of share held	%	Registered address	Principal activity
BP Global West Africa Limited	Ordinary	96	Heritage Place, 13th Floor, 21 Lugard Avenue,Lagos, Ikoyi, Nigeria	Representative Office
BP Indonesia Investment Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Investment Company
BP Poseidon Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Energy trading
Britannic Investments Iraq Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom	Investment Company
Britannic Marketing Limited	Ordinary	100	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP,	Energy trading
OOO BP STL	Member Interest	100	Novinskiy blvd.8, 17th floor, office 11, 121099, Moscow, Russian Federation	Investment Company

Associated undertakings

Company name	Class of share held	%	Registered address	Principal activity
Gasrec Ltd	Ordinary A	29	6th Floor, 60 Gracechurch Street, London, EC3V 0HR, England & Wales, United Kingdom	Energy trading
Green Biofuels Limited	Ordinary	30	2 Chester Row, London, SW1W 9JH, United Kingdom	Energy trading
VAKT Holdings Limited	Ordinary	12	24th Floor One Canada Square, London, United Kingdom, E14 5AB	Investment Company

Joint ventures

Company name	Class of share held	%	Registered address	Principal activity
BP Sinopec Marine Fuels Pte. Ltd.	Ordinary	50	112 Robinson Road, #05-01, Robinson 112, 068902, Singapore	Investment Company
BP SPG Energy Trading Co., Ltd.	Ordinary	49	Room 8309, Floor 3, Yufanghailian Office Building, No. 1 Indian Ocean Road, West Coast Comprehensive Bonded Area, Qingdao Division of the PRC (Shandong), China	Energy trading

10. Investments (continued)

Significant holdings in other related undertakings

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

Related undertaking	Holding %	Registered address	Direct / indirect
BP Oil Senegal S.A.	100	Route de Ouakam x Corniche Ouest, Immeuble Alphadio Barry, Dakar, Senegal	Indirect
BP West Africa Supply Limited	50	Number 1, Rehoboth Place, Dade Street, North Labone Estates, Accra, Accra Metropolitan, Greater Accra, P.O.BOX CT3278, Ghana	Indirect
PT Petro Storindo Energi	30	Bakrie Tower 17th Floor, Rasuna Epicentrum Complex Jl. H.R Rasuna Said, Jakarta, 12940, Indonesia	Indirect
Water Way Trading and Petroleum Services LLC	100	Khur Al-Zubair, pear No 1, Basra, Iraq	Indirect

The company received dividends from BP Sinopec Marine Fuels Pte Ltd, net of withholding tax, of $1,522,000 (2020 $1,997,000).

11. Stocks

	2021	2020
	$000	$000
Trading stocks	1	388

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

12. Debtors

Amounts falling due within one year:

	2021	2020
	$000	$000
Trade debtors	5	—
Amounts owed from parent undertakings	78,076	114,557
Amounts owed from fellow subsidiaries	2,092	1,504
Other debtors	5,049	10,513
Other taxes and social security costs	1,004	980
Assets classified as held for sale	3,000	9,024
	89,226	136,578

12. Debtors (continued)

Amounts falling due after one year:

	2021	2020
	$000	$000
Other debtors	7,011	4,406
Total debtors	96,237	140,984

The amounts owed from parent undertakings comprise variable rate Internal Financing Accounts (IFAs) of $78,076,000 (2020 $114,557,000). Interest is accrued on a monthly basis based on LIBOR, primarily based on USD LIBOR.

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

Included within other debtors falling due within one year is an interest-bearing loan of $4,321,000 (2020 $8,753,000). Interest is accrued on a monthly basis based on a rate of 12% per annum. As disclosed in Note 18, the debtor defaulted on a loan repayment subsequent to year end.

Assets classified as held for sale represents the consideration to be received for the disposal of the company's investment in SKA Energy Holdings Limited (SKA EH). During the year, an impairment of $6,024,000 was recognised pursuant to a revision in the sales proceed.

Other debtors falling due after one year comprise interest-bearing loans of $7,011,000 (2020 $4,406,000). Interest is accrued on a monthly basis based on interest rates ranging from 4% to 12% per annum. Included within this amount is a loan receivable of $4,611,000 (2020 $4,406,000) relating to a 10-year term loan facility up to $38,120,000 to FatHopes Holding Pte. Ltd (FHE) with an equity call option for the company to acquire 20% interest in FHE. The equity call option is valued at $Nil (2020 $Nil).

Other than as mentioned above, trade and other receivables are predominantly non-interest bearing.

13. Cash at bank and in hand

	2021	2020
	$000	$000
Cash at bank and in hand	78	—

14. Creditors

Amounts falling due within one year:

	2021	2020
	$000	$000
Trade creditors	921	325
Amounts owed to parent undertakings	831	928
Amounts owed to fellow subsidiaries	316	757
Other creditors	455	455
Taxation	48	48
	2,571	2,513

14. Creditors (continued)

Amounts falling due after one year:

	2021	2020
	$000	$000
Other creditors	683	1,137
Total creditors	3,254	3,650

Materially all of the company's trade payables have payment terms in the range of 30 to 60 days and give rise to operating cash flows.

15. Called up share capital

	2021	2020
	$000	$000
Issued and fully paid:		
128,399,423 Ordinary shares of £1 each for a total nominal value of £128,399,423	206,064	206,064

16. 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.

17. 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.

18. Post balance sheet events

On 27 February 2022, following Russia’s military action in Ukraine, the board of the company's ultimate parent undertaking, BP p.l.c., announced that bp intends to exit its 19.75% shareholding in Rosneft Oil Company (Rosneft) a Russian oil and gas company and its other businesses with Rosneft within Russia. The Russian-Ukraine conflict and the related economic and trade sanctions have not had any significant impact of the company's main performance indicators nor on its operations.

Subsequent to the year end, a third party debtor has defaulted on a loan repayment. The loan balance outstanding as at year end was $6,721,000, out of which a total repayment of $1,200,000 was subsequently received by the company before the default occurred. The directors continue to monitor the development and its impact on the company, and consider this to be a non-adjusting post balance sheet event.

19. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP International Limited, a company registered in England and Wales. The ultimate controlling parent undertaking is BP p.l.c., a company registered in England and Wales, which is the 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.