CASTROL LIMITED
(Registered No.00149435)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

Board of Directors: W D Carlisle
A M Moore
R D Mutchell
R A Subramaniam
R Tavoletti

The directors present the strategic report, their report and the audited financial statements for the year ended 31 December 2020.

STRATEGIC REPORT

Results

The profit for the year after taxation was £93,137,000 which, when added to the retained profit brought forward at 1 January, 2020 of £587,154,000 gives a total retained profit carried forward at 31 December 2020 of £680,291,000.

Principal activity and review of the business

The company is a holding company and also owns the intellectual property relating to the Castrol brand. The main business of its subsidiary undertakings is primarily in lubricants operations. The lubricants operations blend and market automotive, industrial and marine lubricants.

The company receives royalty income in respect of Castrol lubricant sales but it does not trade on its own account in the United Kingdom.

The company has continued its investment in research and development undertaken on its behalf by other group companies.

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

	2020	2019	Variance
	£000	£000	%
Turnover	219,977	373,902	-41
Operating profit	105,866	134,151	-21
Profit for the year	93,137	125,121	-26
Total equity	732,200	639,063	15

The turnover represents royalties receivable, which decreased by 41% in 2020 due to Covid-19.

Operating profit contains investment impairment reversals during 2020. Impairment reversal indicators were identified, impairment assessment has been performed and impairments previously recognised have been reversed in current year, resulting £62m profit for the year.

Profit for the year reduced mainly due to lower royalty income on account of lower lubricant sales due to Covid-19. Admin expense were reduced, which was offset by £10m loss on sales due to closing of the Greensteam business .

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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 414 C of the Companies Act 2006 (the "Act").

The role of the board of directors of the company plays an integral part in demonstrating how the directors have had regard to the matters set out in section 172(1). During the course of the year the following primary tasks were undertaken by the board of directors 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 significant operational challenges presented by the COVID-19 pandemic, having regard to the company's safe and reliable operations; and
- Assessing principal and emerging risks relevant to the company

In light of the role of the board, and their primary tasks and considerations throughout the year (as described above), the directors have discharged their duties under section 172(1) in a way that they considered, in good faith, is most likely to promote the success of the company for the benefit of its members as a whole, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders, as required by the Act. In doing so, the directors have considered, amongst other matters:

a. The likely long-term consequences of the decision.
b. The interests of the company's employees.
c. The need to foster the company's business relationships with suppliers, customers and others.
d. The impact of the company's operations on the community and the environment.
e. The desire to maintain the company's reputation for high standards of business conduct.
f. The need to act fairly between members of the company.

The directors also considered the interests of a wider set of stakeholders, including regulators, the UK Governments and businesses. Further information on the process behind how the BP p.l.c. board makes decisions that affect the stakeholders of its subsidiaries, including the company, can be found on pages 82 to 83 of BP p.l.c.'s Annual Report and Form 20-F 2020.

To support the directors in the discharge of their duties, and whilst making decisions on behalf of the company, the directors have access to bp central functions assurance support to identify matters which may have an impact on the proposed decision including, where relevant, the section 172 factors outlined above. To ensure the efficiency and effectiveness of engagement with key stakeholders identified by the company, certain stakeholder engagement is led by the bp group, particularly where the impact of a decision may impact the group's reputation.

Stakeholders

The directors believe that engagement with its shareholders and wider stakeholder groups plays a vital role throughout bp's business. During 2020, the directors reiterated their focus on engagement with key stakeholders, as well as an increased focus on environment, social and governance ("ESG") matters. The following outlines key stakeholders identified by the bp group and the company, where relevant, and how their interests were taken into consideration during the decision making process where appropriate.

Shareholders

The directors identify that engagement with shareholders is of key importance to the ongoing success of the company and, as such, when taking decisions, the directors had regard to the company's shareholders with regard to long-term value.

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Section 172 (1) statement (continued)

Customers and suppliers
bp aims to put customers at the heart of everything it does. In 2020 bp considered its customer's interests by engaging in global customer brand tracking and collaborating with original equipment manufacturers on future technologies.

bp considered its supplier's interests through hosting workshops, including sessions focused on net zero, people and planet. In addition, university collaborations, including the Carbon Mitigation Initiative, an independent academic research programme based at Princeton University.

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.

Furthermore, the board reviewed and considered the company's prompt payment reporting performance and disclosed its practices in respect of the same on a bi-annual basis.

Community and environment
bp consults with communities, NGOs, academics and industry associations about the future of bp, with regard to the environment and social matters and the issues facing the world, drawing on their external expertise, input and challenge. In 2020 this included providing input to the EU methane strategy and supported the UK government's planned phase out of internal combustion engines.

In 2020 bp developed its updated position on biodiversity and new measures to help restore, maintain and enhance nature with input and constructive challenge from international nature and conservation organizations and experts including Conservation International, Fauna & Flora International (FFI), UNESCO and IUCN.

bp also updated its business and human rights policy in 2020 to address emerging human rights issues relevant to our industry, clarify our human rights commitments and communicate how bp's approach to managing human rights impacts has advanced. The update was supported by consultations with a wide range of NGOs, subject matter experts and investors.

Maintaining a reputation for high standards of business conduct
In 2020 bp launched its new sustainability frame, aims and objectives linked to the UN Sustainable Development Goals. bp's values of safety, respect, excellence, courage and one team define how the group, including the company and its board of directors, 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 relevant board of directors operate. The directors of the company continued to adhere, in good faith, to the bp code of conduct during the year, *and oversee adherence to the bp code of conduct by the Company's employees* to ensure the board and the company maintained 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, for example the customer & products business delivered a regional annual contractor forum digitally, providing awareness of bribery and corruption risks.

Stakeholder considerations have been especially pertinent during the COVID-19 pandemic, whereby the bp group and the company, where relevant, has strived to keep its business viable for its shareholders and other stakeholders.

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The company's principal decisions

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

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 2020.

Strategic and commercial risks

Prices and markets

The company's financial performance is subject to fluctuating prices of 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

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

Geopolitical

The company is exposed to a range of political developments and consequent changes to the operating and regulatory environment could cause business disruption. These may in turn cause production to decline, limit the company's ability to pursue new opportunities, affect the recoverability of its assets or cause it to incur additional costs. 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 a future epidemic or pandemic) may disrupt or curtail its operations or development activities.

The impact of the UK's exit from the EU

bp have been assessing the potential impact on the group of Brexit and the UK's future global relationships and have not identified any significant risk to the business.

The impact of coronavirus (COVID-19)

The spread of COVID-19 has caused significant volatility in the oil and gas prices and refining margins. bp's future financial performance will be impacted by the extent and duration of the current market conditions and the effectiveness of the actions that it and others take, including its financial interventions. bp's financial frame is designed to be robust to periods of low price, with flexibility to reduce cost and capital expenditure if required. We continue to assess the impact of COVID-19 and have instigated appropriate mitigation plans.

Insurance

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

Compliance and control risks

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

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

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

The impact of reinventing bp on the organization
Last year it was announced that we are reinventing bp to help deliver our ambition. This significant reorganization includes a new structure, a new leadership team, new ways of working and a reduction in the size of bp's office based workforce. The risks associated with these changes have been identified, assessed and managed with the support of project management offices. As part of bp's three lines of defence, our businesses, integrators, enablers and internal audit are working to deliver clear accountabilities and the associated planned workload reduction. All individuals changing roles or leaving bp are required to complete a management of change.

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 foreign currency exchange rates and interest rates. Further details on these financial risks are included within Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2020.

Authorized for issue on behalf of the Board

Andrew Moore

06-Oct-2021

A M Moore
Director

Registered Office:

Technology Centre
Whitchurch Hill
Pangbourne
Reading
RG8 7QR

DIRECTORS' REPORT

CASTROL LIMITED

Directors

The present directors are listed on page 1.

R D Mutchell and R A Subramaniam served as directors throughout the financial year. Changes since 1 January 2020 are as follows:

	Appointed	Resigned
W D Carlisle	8 January 2020	_
A M Moore	31 January 2020	_
R Tavoletti	8 January 2020	_
D C Odogwu		8 January 2020
P I W Turner		8 January 2020

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

During the year the company has declared and paid dividends of £0 (2019: £122,000,000). The directors do not propose the payment of a final dividend.

Financial instruments

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

Going concern

The directors have assessed the prospects of the company over a period of at least 12 months. The directors have considered expectations of the position and performance of the company over this period, taking account of its short-term and longer-range plans. Taking into account the company's current position and its principal risks on pages 4-5, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over at least the next 12 months.

Since 1 January 2020, there has been significant volatility in the oil and gas prices and refining margins, in large part due to the impact of the international spread of COVID-19 (Coronavirus) and geopolitical factors. The impact of COVID-19 and the current economic environment on the basis of preparation of these financial statements has been considered.

The pandemic has an indirect impact on the company's performance through the decreased royalty income received after the lower sales of Castrol branded products worldwide and hence a lower dividend income to be paid by its subsidiaries after their worse performance compared to the previous year.

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Going concern (continued)

Liquidity and financing is managed within bp under pooled group-wide arrangements which include the company. As part of assuring the going concern basis of preparation for the company, the ability and intent of the bp group to support the company has been taken into consideration. The bp group financial statements continue to be prepared on a going concern basis. Forecast liquidity extending at least twelve months from the date of approval of these financial statements has been assessed at a group level under a number of scenarios and a reverse stress test performed to support the group's going concern assertion. In addition, group management of bp have confirmed that the existing intra-group funding and liquidity arrangements as currently constituted are expected to continue for the foreseeable future, being no less than twelve months from the approval of these financial statements.

In assessing the prospects of Castrol 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 aim to maintain the management policies which have resulted in the company's growth in recent years. They believe that the company is in a good position to take advantage of any opportunities which may arise in the future.

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

Research and development

The company has continued its investment in research and development undertaken on its behalf by other group companies.

Stakeholder statements

Engagement with other stakeholders

The board of directors of the company aims to foster enduring relationships with governments, customers, partners, suppliers and communities in the countries where it operates. The directors work with business partners in an honest, respectful and responsible way and seek to work with others who share the company's commitments to safety and ethics and compliance.

The company's activities, and the decisions of its directors, affect a wide variety of individuals and organizations. The directors engage with these stakeholders and listen to their differing needs and priorities as an everyday part of business, utilising the input and feedback to inform the directors' decision making process on behalf of the company.

As noted in the section 172 (1) statement, responsibility for decisions that impact the entire group is taken at BP p.l.c. level. 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, to understanding tax liabilities, to collaborating on community initiatives.

Streamlined Energy & Carbon Reporting (SECR)

As a UK subsidiary of a UK parent company which prepares a group directors' report, SECR reporting details are included in the strategic report of the bp group Annual Report and Form 20-F for the year ended 31 December 2020.

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

Andrew Moore

06-Oct-2021

A M Moore
Director

Registered Office:

Technology Centre
Whitchurch Hill
Pangbourne
Reading
RG8 7QR

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

CASTROL 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CASTROL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Castrol Limited (the company):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

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 and the procedures they have in place to prevent and detect fraud and other non-compliance with laws and regulations.

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 tax legislation.
- 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, internal audit and external 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:
David Paterson 07-Oct-2021
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David Paterson, ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP, Statutory Auditor

London, United Kingdom

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

CASTROL LIMITED

	Note	2020	2019
		£000	£000
Turnover	**3**	219,977	373,902
Dividend income		67,525	68,849
Administrative expenses		(234,082)	(295,093)
Impairment of intangible assets		—	(13,507)
Loss on sale of investment & loan write-off	**11/12**	(9,958)	—
Reversal of impairment of fixed asset investments	**11**	62,404	—
Operating profit / (loss)	**4**	105,866	134,151
Interest receivable and similar income	**6**	676	5,015
Interest payable and similar charges	**7**	(95)	(26)
Profit / (loss) before taxation		106,447	139,140
Taxation	**8**	(13,310)	(14,019)
Profit / (loss) / result for the year		93,137	125,121

The profit of £93,137,000 for the year ended 31 December 2020 was derived in its entirety from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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BALANCE SHEET

AS AT 31 DECEMBER 2020

CASTROL LIMITED
(Registered No.00149435)

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	**10**	9,946	10,803
Investments	**11**	583,506	238,568
		593,452	249,371
Current assets			
Debtors: amounts falling due within one year	**12**	586,629	526,629
Debtors: amounts falling due after one year	**12**	14,359	17,000
Creditors: amounts falling due within one year	**13**	(462,239)	(153,531)
Net current assets		138,748	390,098
TOTAL ASSETS LESS CURRENT LIABILITIES		732,200	639,469
Provisions for liabilities and charges			
Other provisions		—	(406)
NET ASSETS		732,200	639,063
Capital and reserves			
Called up share capital	**14**	7,864	7,864
Share premium account	**15**	44,045	44,045
Profit and loss account	**15**	680,291	587,154
TOTAL EQUITY		732,200	639,063

Authorized for issue on behalf of the Board

Andrew Moore

06-Oct-2021

A M Moore

Director

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

CASTROL LIMITED

	Called up share capital (Note 14)	Share premium account (Note 15)	Profit and loss account (Note 15)	Total
	£000	£000	£000	£000
Balance at 1 January 2019	7,864	44,045	584,033	635,942
Profit / (loss) for the year, representing total comprehensive income / (loss)	—	—	125,121	125,121
Dividends paid	—	—	(122,000)	(122,000)
Balance at 31 December 2019	7,864	44,045	587,154	639,063
Profit / (loss) for the year, representing total comprehensive income / (loss)	—	—	93,137	93,137
Balance at 31 December 2020	7,864	44,045	680,291	732,200

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

The financial statements of Castrol Limited for the year ended 31 December 2020 were approved by the board of directors on 6 October 2021 and the balance sheet was signed on the board's behalf by A M Moore. Castrol Limited is a private limited company by shares, domiciled and registered in England and Wales (registered number 00149435). 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 18 to the financial statements.

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

(a) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
(b) the requirements of IFRS 7 Financial Instruments: Disclosures ;
(c) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;
(d) 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 ;
(e) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of
 (i) paragraph 79(a)(iv) of IAS 1;
 (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment
 (iii) paragraph 118(e) of IAS 38 Intangible Assets
 (iv) paragraph 76 and 79(d) of IAS 40 Investment Property ;
(f) the requirements of IAS 7 Statement of Cash Flows ;
(g) 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 ;
(h) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures ;
(i) 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.

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

(j) 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
(k) the requirement of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
(l) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
(m) The requirements of paragraph 58 of IFRS 16 Leases, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

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 18.
The financial statements are presented in GBP sterling and all values are rounded to the nearest thousand pounds (£000).

Significant accounting policies: use of judgements, estimates and assumptions

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from the estimates and assumptions used. The accounting judgements and estimates that have a significant impact on the results of the company are set out within the boxed text below, and should be read in conjunction with the information provided in the Notes to the financial statements.

Judgements and estimates, not all of which are significant, made in assessing the impact of the COVID-19 pandemic, and climate change and the energy transition on the financial statements are also set out in boxed text below. Where an estimate has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year this is specifically noted within the boxed text. 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.

Judgements and estimates made in assessing the impact of the COVID-19 pandemic and the economic environment
In preparing the financial statements, the following areas involving judgement and estimates were identified as most relevant with regards to the impact of the COVID-19 pandemic and current economic environment.

Going concern
Forecast liquidity for the bp group has been assessed under a number of stressed scenarios and a reverse stress test was performed to support the going concern assertion. No material uncertainties over going concern or significant judgements or estimates in the assessment were identified.

Significant accounting policies

Going concern

The directors have 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 and the financial statements have therefore been prepared under the going concern basis.

For further detail on the directors' going concern assessment, please refer to the directors' report.

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Foreign currency

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

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. 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, associates and other investments 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 back up to the revised estimate of recoverable amount, ensuring that this does not result in a carrying value in excess of the original cost of the investment.

Significant judgements and estimates: impairment of investments

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

Management judgement is required to determine whether an indicator of potential impairment/reversal exists in relation to the company's investments. Indicators have been identified during the current year, impairment test has been performed and impairment reversals were made during the year. Details are provided in Note 11.

Intangible assets

Intangible assets, other than goodwill, are stated at the amount initially recognized, less accumulated amortization and accumulated impairment losses.

Intangible assets are carried initially at cost unless acquired as part of a business combination. Any such asset is measured at fair value at the date of the business combination and is recognized separately from goodwill if the asset is separable or arises from contractual or other legal rights.

Intangible assets with a finite life are amortized on a straight-line basis over their expected useful lives. For patents, licences and trademarks, expected useful life is the shorter of the duration of the legal agreement and economic useful life, and can range from three to fifteen years. Computer software costs generally have a useful life of three to five years. The expected useful lives of assets and the amortization method are reviewed on an annual basis and, if necessary, changes in useful lives or the amortization method are accounted for prospectively.

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

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

Impairment of intangible and tangible assets

The company assesses assets or groups of assets, called cash-generating units (CGUs) for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, for example, changes in the company's business plans. If any such indication of impairment exists, the company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets.

An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. If it is probable that the value of the CGU will primarily be recovered through a disposal transaction, the expected disposal proceeds are considered in determining the recoverable amount. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

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

Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.
In limited circumstances where recent market transactions are not available for reference, discounted cash flow techniques are applied. Where discounted cash flow analyses are used to calculate fair value less costs of disposal, estimates are made about the assumptions market participants would use when pricing the asset, CGU or group of CGUs containing goodwill and the test is performed on a post-tax basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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

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 using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired and when interest is recognized using the effective interest method. This category of financial assets includes trade and other receivables.

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

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

Taxation
Income tax 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.

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

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 and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, where the company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

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.

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.

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

Dividend income

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

Royalty income

Royalty income is recognized when the Company's right to receive the payment is established.

Research costs

Research costs are expensed as incurred.

Finance costs

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

Dividends payable

Final dividends are recorded in the financial statements in the year in which they are approved by the company's shareholders. Interim dividends are recorded in the year in which they are approved and paid.

Exceptional items

The company discloses as exceptional items those material items impacting the profit and loss account which, because of the nature and expected infrequency of the events giving rise to them, merit separate disclosure to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Impact of new International Financial Reporting Standards

bp adopted 'Interest Rate Benchmark Reform – Phase I – Amendments to IFRS 9 'Financial instruments' and IFRS 7 'Financial instruments: Disclosures' with effect from 1 January 2020. 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 I – Amendments to IFRS 9 'Financial instruments' and IFRS 7 'Financial instruments: Disclosures' has had no material impact on the company's financial statements.

3. Turnover

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

	2020	2019
	£000	£000
Royalty revenues	219,977	373,902
	219,977	373,902
Other operating income		
Interest receivable and similar income (Note 6)	676	5,015
Income from shares in group undertakings	67,525	68,849
	288,179	447,766

3. Turnover (continued)

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

	2020	2019
	£000	£000
Class of business:		
Downstream	219,977	373,902
Total	219,977	373,902

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

	2020	2019
	£000	£000
UK	8,974	5,679
Rest of Europe	68,345	108,042
USA	37,405	115,727
Rest of World	105,253	144,454
Total	219,977	373,902

4. Operating profit

This is stated after charging / (crediting):

	2020	2019
	£000	£000
Net foreign exchange (gains) / losses*	(3,897)	(4)
Research and development costs expensed*	101,936	93,627
Amortization of intangible assets	1,551	375
Reversal of impairment of investments**	(62,404)	—

*Amount is included in Administrative expenses.
**Investment impairment has been reversed (details in Note 11).

5. Auditor's remuneration

	2020	2019
	£000	£000
Fees for the audit of the company	50	35

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 Castrol 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

	2020	2019
	£000	£000
Interest income from amounts owed by group undertakings	676	5,015
Total interest receivable and similar income	676	5,015

7. Interest payable and similar charges

	2020	2019
	£000	£000
Interest expense from amounts owed to group undertakings	95	26
Total interest payable and similar charges	95	26

8. Taxation

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

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

	2020	2019
Current tax	£000	£000
Overseas tax on income for the year	13,310	14,019
Total current tax charged / (credited)	13,310	14,019
Tax charged / (credited) on profit	13,310	14,019

In 2020 the total tax charge recognized within other comprehensive income was Nil (2019: Nil) and the total tax charge recognized directly in equity was Nil (2019: Nil).

(a) Reconciliation of the effective tax rate

The tax assessed on the profit for the year is lower than the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2020 (2019: 19%). The differences are reconciled below:

	2020	2019
	UK	UK
	£000	£000
Profit / (loss) before tax	106,447	139,140
Tax charge / (credit)	13,310	14,019
Effective tax rate	13 %	10 %

8. Taxation (continued)

	2020	2019
	UK	UK
	%	%
UK corporation tax rate:	19	19
Increase / (decrease) resulting from:		
Non-taxable income	(22)	(9)
Transfer pricing adjustment	1	—
Double tax relief	—	(9)
Overseas tax	11	10
Free group relief	3	(1)
Expenses not deductible for tax purposes	1	—
	(6)	(10)
Effective tax rate	13	10

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

Change in corporation tax rate

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This increase is not expected to have a material impact on the tax charge.

(b) Provision for deferred tax

No material UK deferred tax has arisen in either year. The impact of the above mentioned increase is not expected to have a material impact on deferred tax given all tax recognised arises from overseas.

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 (2019 £Nil).

(b) Employee costs

The company had no employees during the year (2019 None).

10. Intangible assets

	Total	Of which AUC
Cost	£000	£000
At 1 January 2020	13,008	1,583
Additions - internal development	693	
Transfers	—	
Write off	—	
AUC capitalization	—	(1,583)
At 31 December 2020	13,701	—
Amortization		
At 1 January 2020	(2,205)	—
Charge for the year	(1,550)	—
At 31 December 2020	(3,755)	—
Net book value		
At 31 December 2020	9,946	—
At 31 December 2019	10,803	1,583

Intangible asset valued at amortized cost is related to intellectual property and are all related to software. Necto related softwares - those were AUC in 2019 - have been capitalized during 2020.

11. Investments

	Investment in subsidiaries	Investment in associates	Other investments	Total
Cost	£000	£000	$000	£000
At 1 January 2019	410,410	60,675	(172)	470,913
Additions	3,782	—	—	3,782
Transfers	—	—	—	—
At 31 December 2019	414,192	60,675	(172)	474,695
At 1 January 2020	414,192	60,675	(172)	474,695
Additions	303,206			303,206
Disposals	(126,163)		(7)	(126,170)
At 31 December 2020	591,235	60,675	(179)	651,731
Impairment losses				
At 1 January 2019	(189,475)	(46,652)	—	(236,127)
At 31 December 2019	(189,475)	(46,652)	—	(236,127)
At 1 January 2020	(189,475)	(46,652)	—	(236,127)
Reversal	62,404	—	—	62,404
Disposals	105,499	—	—	105,499
At 31 December 2020	(21,573)	(46,652)	—	(68,225)
Net book amount				
At 31 December 2020	569,662	14,023	(179)	583,506
At 31 December 2019	224,717	14,023	(172)	238,568

In prior years, the allocation of the investment impairments between subsidiaries and associates has not been presented correctly, some amounts presented in subsidiaries impairment related to associates impairment. Those balances are now corrected, further details in Note 17.

The investments in subsidiaries, associates and joint ventures are all stated at cost less provision for impairment. The investments in the subsidiary and associated undertakings and joint ventures are unlisted. The subsidiary and other undertakings of the company at 31 December 2020 and the percentage of equity capital held set out below are all the investments.

Investment additions relate to purchase of BP Marine Limited for £303m. Investment disposals relate to sale of Greensteam and sale of Insight and Foseco to fellow subsidiary undertakings. These disposals resulted in overall loss arising of £10m, including the £6.5m write off of a loan to Greensteam (see note 12).

The impairment reversals arising during the year relate to the company's investments in Castrol Colombia Limited (£0.9m reversal), Castrol (China) Limited (£31m reversal), PT Castrol Indonesia (£1.9m reversal), Latin Energy Argentina S.A. (£0.001m reversal), Castrol (Ireland) Limited (£21.6m reversal), MES Tecnologia S.A. (£0.3m reversal), Castrol BP Petco Ltd Liab. Co. (£0.6m reversal) and Burmah Castrol South Africa (Pty) Limited (£6.1m reversal).
The recoverable amount of each was estimated as £2.8m, £57.1m, £16.1m, £0.001m, £25.6m, £3.1m, £2.7m and £18.4m respectively and has been assessed on a value in use basis, with the company's best estimate of value in use being considered to be materially equivalent to investee's net assets at the balance sheet date.

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

NOTES TO THE FINANCIAL STATEMENT

Subsidiary undertakings

Company name	**Class of share held**	**%**	**Registered address**	**Principal activity**
Castrol (Shanghai) Management Co., Ltd	Ordinary	100	Floor 3, Building 5 255 Guiqiao Road Shanghai Pilot Trade Zone China	Sales Marketing and Distribution
Castrol (Ireland) Limited	Ordinary	100	6th Floor, 2 Grand Canal Square, Dublin 2 Ireland	Lubricants
MES TECNOLOGIA EN SERVICIOS Y ENERGIA, S.A. DE C.V.	Ordinary	100	Av. Santa Fe No. 505 Piso 10 Col. Cruz Manca Santa Fe Deleg. CuajimalpaC.P. 05349 México D.F. Mexico	Shared service company
Castrol India Limited	Ordinary	51	Technopolis Knowledge Park, Mahakali Caves Road, Mumbai India	Lubricants
BP Japan KK	Ordinary	100	15th Fl. Roppongi Hills Mori Tower 10-1 Roppongi 6-chome Minato-ku Tokyo106-6115 Japan	Lubricants
TJKK	Ordinary	100	15th Fl. Roppongi Hills Mori Tower 10-1 Roppongi 6-chome Minato-ku Tokyo106-6115 Japan	Lubricants
BP Korea Limited	Ordinary	100	2nd Floor, Woojin Bldg. 76-4, Jamwon-dong Seocho-gu Seoul 137-909 Republic of Korea	Lubricants
Burmah Castrol South Africa (Pty) Limited	Ordinary	100	BP House 10 Junction Avenue Parktown Johannesburg 2193 South Africa	Lubricants
BP Malaysia Holdings Sdn. Bhd.	Ordinary	70	Level 9, Tower 5, Avenue 7 The Horizon Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia	Lubricants
BP Marine Limited	Ordinary	100	Chertsey Road Sunbury on Thames Middlesex TW16 7BP United Kingdom	Lubricants
BP Castrol KK	Ordinary	53	East Tower 20F, Gate CIty Ohsaki 1-11-2 Osaki Shinagawa-ku Tokyo Japan	Lubricants

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Company name	Class of share held	%	Registered address	Principal activity
Castrol Colombia Limitada	Ordinary	99	Oficina 401 Carrera 14 N° 93B -45 Bogotá Colombia	Lubricants
Castrol Del Peru S.A.	Ordinary	99	Av. Camino Real 111Torre BOficina 603San Isidro Lima Peru	Lubricants
Castrol Mexico S.A. de C.V.	Ordinary	100	Av. Santa Fe No. 505 Piso 10 Col. Cruz Manca Santa Fe Deleg. CuajimalpaC.P. 05349 México D.F. Mexico	Lubricants
Castrol Philippines Inc	Common	100	32/F LKG Tower Ayala Avenue Makati City 6801 Philippines	Lubricants
Castrol (China) Limited	Ordinary	100	Unit 807 Tower B, Manulife Financial Centre 223 Wai Yip Street Kwun Tong Kowloon Hong Kong	Lubricants
BP Danmark A/S	Ordinary	100	Arne Jacobsens Allé 7, 5th Floor 2300 Copenhagen Denmark	Holding company
BP Taiwan Marketing Limited	Common	100	7FNo. 71Sec. 3Min Sheng East Road Taipei Taiwan	Lubricants
Castrol (U.K.) Limited	Ordinary	100	Chertsey Road Sunbury on Thames Middlesex TW16 7BP United Kingdom	Lubricants
Nordic Lubricants AB	Ordinary	100	Box 49104, S-100 28 Stockholm, Sweden	Lubricants
Latin Energy Argentina S.A.	Ordinary	95	Av. Cordoba 315 Piso 8 Buenos Aires 1054 Argentina	Lubricants
PT Castrol Indonesia	Ordinary	68	Perkantoran Hijau Arkadia, Tower B9th Floor, Jl. Let. Jenderal TB. Simatupang Kav. 88, Jakarta12520, Indonesia	Lubricants
BP Fuels & Lubricants AS	Ordinary	100	P.O.Box 153 Skøyen 0212 Oslo Norway	Lubricants
Autino Holdings Limited	Ordinary	89	83-85 London Street Berkshire RG1 4QA United Kingdom	Software

Associated undertakings

Company name	Class of share held	%	Registered address	Principal activity
Castrol Brasil Ltda	Ordinary	44	Avenida das Americas, nº 3434, bloco 07, salas 301 a 308 Parte, Barra da Tijuca Rio de Janeiro	Lubricants
Aspac Lubricants (Malaysia) Sdn. Bhd.	Ordinary	42	Level 26 Axiata Tower No.9 Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia	Lubricants
BP - Castrol (Thailand) Limited	Ordinary	35	23rd Fl. Rajanakarn Bldg 3 South Sathon Road Yannawa South Sathon Bangkok 10120 Thailand	Lubricants
Castrol Egypt Lubricants S.A.E.	Ordinary	49	First floor of building located at Plot 28- the first Sector, City Center, New Cairo, Cairo, Egypt	Lubricants

12. Debtors

Amounts falling due within one year:

	2020	2019
	£000	£000
Amounts owed from fellow subsidiaries	585,182	521,045
Other debtors	1,446	5,584

Amounts falling due after one year:

	2020	2019
	£000	£000
Amounts owed from fellow subsidiaries	14,359	17,000
Total debtors	600,987	543,629

The debtor amount comprises the following balances:

- Variable rate funding account of £509m (2019 £422m). Interest is accrued on a monthly basis based on LIBOR. The interest rate at year end was LIBOR -0.14% (2019 LIBOR -0.11%). The account is on standard IFA (Internal Financing Account) terms and is repayable on demand.
- Loans and interests to other bp group entities of £14.3m (2019 £17m). Interest rate is LIBOR +0.16% and is repayable from 2022 to 2024. Reduction is mainly due to write-off of Greensteam loan, £6.5m loan has been reversed to Profit and Loss Accounts (visible on Loss on sale of investment & loan write-off line)
- Group debtor receivable of £77m (2019 £104m) is mainly for royalty with immediate payment terms and those are non-interest bearing.

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13. Creditors

Amounts falling due within one year:

	2020	2019
	£000	£000
Amounts owed to fellow subsidiaries	462,079	151,936
Other creditors	160	1,595
Total creditors	462,239	153,531

14. Called up share capital

	2020	2019
	£000	£000
Issued and fully paid:		
15,728,291 ordinary shares of £0.50 each for a total nominal value of £7,864,146	7,864	7,864
	7,864	7,864

15. Reserves

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

Share premium account
The balance on the share premium account represents the amounts received in excess of the nominal value of the ordinary shares.

Profit and loss account
The balance held on this reserve is the retained profits of the company.

In 2020, the company paid interim ordinary dividends of £0 (2019: £122,000,000). The dividend per share was £0 (2019 dividend per share: £7.76).

16. Related party transactions

The company has taken advantage of the exemption contained within paragraphs 8(k) and (j) of FRS 101, and has not disclosed transactions entered into with wholly-owned group companies or key management personnel.

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

Related party	**Relationship**	**Description**	**Sales to related party**	**Amounts owed from related party**
			£000	**£000**
Castrol India Limited	Subsidiary	Royalty income, other		
2020			8,064	7,094
2019			12,142	10,694

PT Castrol Indonesia	Subsidiary	Royalty income		
2020			1,345	—
2019			2,386	—
Castrol BP Petco Limited Liability Company	Subsidiary	Royalty income		
2020			5,142	—
2019			6,114	—
Castrol India Limited	Subsidiary	Dividend income		
2020			29,181	—
2019			29,482	—
AsPac Lubricants (Malaysia) Sdn.	Associate	Dividend income		
2020			3,695	—
2019			4,893	—
BP Castrol (Thailand) Limited	Associate	Dividend income		
2020			8,937	—
2019			10,198	—
PT Castrol Indonesia	Subsidiary	Dividend income		
2020			4,087	—
2019			4,542	—
Castrol BP Petco Limited Liability Company	Subsidiary	Dividend income		
2020			2,929	—
2019			2,868	—
BP Castrol (Thailand) Limited	Associate	Royalty income		
2020			2,789	—
2019			3,522	—
BP Castrol KK	Subsidiary	Royalty income		
2020			3,881	—
2019			4,572	—
BP Castrol KK	Subsidiary	Dividend income		
2020			6,248	—
2019			6,862	—

17. Comparative figures

In prior years, the allocation of the investment impairments between subsidiaries and associates has not been presented correctly, some amounts presented in subsidiaries impairment related to associates impairment.

The prior year allocation of impairment charges has been reclassified to reflect the correct allocation. This had no impact on the prior year profit and loss or net assets. The following table summarises the impact of the reclassification at 31 December 2019.

	As Previously stated	As Previously stated	Adjustment	Adjustment	As restated	As restated
	Investment in subsidiaries	**Investment in associates**	**Investment in subsidiaries**	**Investment in associates**	**Investment in subsidiaries**	**Investment in associates**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Impairment losses						
At 1 January 2019	(217,073)	(19,055)	27,598	(27,598)	(189,475)	(46,653)
At 31December 2019	(217,073)	(19,055)	27,598	(27,598)	(189,475)	(46,653)
Net book amount						
At 31 December 2019	197,120	41,620	27,598	(27,598)	224,718	14,022

18. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is Burmah Castrol Plc, a company registered in Scotland. The ultimate controlling parent undertaking is BP p.l.c., a company registered in England and Wales, which is the 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.