# CHARGEMASTER LIMITED

(Registered No.06720009)

## ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

Board of Directors: L A Allen
N A Kirton
M V Nakrani
D R Mabon

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

## STRATEGIC REPORT

### Results

The loss for the year after taxation was £14,679,000 which, when added to the accumulated loss brought forward at 1 January 2020 of £25,473,000, gives a total accumulated loss carried forward at 31 December 2020 of £40,152,000.

### Principal activity and review of the business

The principal activity of the company is to supply and operate electric vehicle (EV) charging points.

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

| | 2020 | 2019 | Variance |
|---|---|---|---|
| | £000 | £000 | % |
| Turnover | 18,075 | 18,111 | — % |
| Operating loss | (14,662) | (6,398) | 129 % |
| Loss for the financial year | (14,679) | (7,173) | 105 % |
| Total equity | 52,671 | 37,600 | 40 % |

Higher operating loss and loss for the year were due to higher payroll costs incurred during the year as a result of an increase in headcount in anticipation of the expansion of the company.

### 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

**Section 172 (1) statement (continued)**

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, 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.

***Employees***

Employees are vital to the long-term success of the company. bp and its directors engage with employees and keep them informed on matters that concern them through bp's employee intranet and local sites, social media channels, annual 'Pulse' survey, town halls, site visits and webinars including topics such as quarterly results, strategy, the low carbon transition, and diversity. During 2020 restrictions associated with COVID-19, most engagements were conducted virtually. bp's 'Pulse' survey employee engagement score acts as a key performance indicator for bp.

Please refer to the employee engagement statement in the directors' report for further details on specific engagement with respect to the company.

**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.

***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.

***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

***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.

***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.

***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 on our staff and operations and have instigated appropriate mitigation plans.

***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 an appropriately skilled workforce could negatively impact delivery of the company's strategy in a highly competitive market.

***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; credit risk; and liquidity risk. Further details on these financial risks are included within Note 29 of the bp group Annual Report and Form 20-F for the year ended 31 December 2020.

Authorized for issue on behalf of the Board

DocuSigned by:
Leslie-Ann Allen
86AD7D5D540A414...

L A Allen
Director

Registered Office:

Breckland
Linford Wood
Milton Keynes
MK146GY
United Kingdom

# DIRECTORS' REPORT

## CHARGEMASTER LIMITED

### Directors

The present directors are listed on page 1.

Changes since 1 January 2020 are as follows:

| | Appointed | Resigned |
|---|---|---|
| L A Allen | 15 March 2021 | — |
| N A Kirton | 18 May 2021 | — |
| D R Mabon | 14 May 2020 | — |
| M V Nakrani | 23 October 2020 | — |
| M S G De Renzi | 6 February 2020 | 13 May 2021 |
| D D O Robertson | 30 June 2020 | 11 March 2021 |
| D Newton | — | 6 February 2020 |
| T M Thornton | — | 1 July 2020 |
| R E Williamson | — | 23 October 2020 |
| D F Read | — | 30 June 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

The company has not declared any dividends during the year (2019 £Nil). The directors do not propose the payment of a dividend.

### Financial instruments

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

### Post balance sheet events

After the balance sheet date, 1,304,347,826 ordinary shares of £0.04 each for a total nominal value of £52,173,913, were allotted to the immediate parent company at par value.

## 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 company supplies and operates electric vehicle (EV) charging points in the United Kingdom and earns revenue from external customers. The company is in a healthy net assets and net current assets position as at 31 December 2020.

Liquidity and financing is managed within bp under pooled group-wide arrangements which include the company. For entities where the most commonly used facility, an internal financing account is not opened, bp ensures tailored adequate funding is available for these entities via intercompany loans and/or capital injection.

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 Chargemaster 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.

**Disabled employees**

The company gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

**Stakeholder statements**

**Employee engagement**

Employees are informed of information on matters of concern to them as employees through bp's employee intranet and local sites, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, the low carbon transition and diversity. The bp group has a number of employee-led forums and business resource groups (BRGs) and aim to build constructive relationships with labour unions formally representing some employees. On an ongoing basis bp, and the board of directors of the company, hears directly from employees on a range of topics, including bp's new purpose and strategy, employee sentiment – particularly during the reorganisation of bp – the impact of COVID-19 on operations and wellbeing, diversity and career progression. In light of the COVID-19 pandemic, and to ensure the safety of its employees, bp employees were told to work from home where able to which constituted a principal decision of bp including the company.

Employee share ownership is encouraged and there are a number of employee share plans in BP p.l.c. which are in place at bp group level. For example, the bp group operates a ShareMatch plan in more than 50 countries, matching BP p.l.c. shares purchased by employees. The bp group also operates a group-wide discretionary share plan, which allows employee participation at different levels globally and is linked to the bp group's performance.

Employees are consulted on a regular basis through regular team and one-to-one meetings, bp's annual 'Pulse' survey and 'Keeping Connected' firmwide webcasts where the bp CEO Bernard Looney and featured guests from across the organisation discuss a range of topics throughout the year. The 'Pulse' employee engagement score acts as a key performance indicator for bp. In response to the 'Pulse' survey feedback, and specifically the feedback related to increased anxiety in employees, bp's CEO Bernard Looney led a 'Keeping Connected' webcast focused on reducing mental health stigma and encouraging employees to ask for help. bp also increased the frequency of mental health awareness training for managers.

bp, including the company, took the principal decision to undergo a reorganization, retiring the previous strategy and replacing it with a business model which is more focused, more integrated and faces the energy transition head on, 'Reinventing bp'. bp made the difficult decision to endorse the reinvention with associated job losses, which will ultimately see around 10,000 employees leave bp. bp, the company and its board of directors, considered this to be the right decision and assurances were sought from executives across the bp business to ensure that the redundancy process was fair, transparent and objective with an environment of honesty, trust and cooperation. As a result of this engagement and transparency with its employees, bp and the company's board of directors put the care and wellbeing of employees at the heart of the process. The reduction in the workforce was conducted in a manner which protected bp and the company's safe and reliable operations. Support was made available for the life transition associated with redundancy through the newly established myFuture programme and discretionary enhanced redundancy terms were offered, where relevant.

A stakeholder review is conducted during the decision making process and employee's views are taken into account in decisions likely to affect their interests. Employee engagement is discussed and considered by the directors at board meetings on a regular basis.

**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.

The bp group also seeks to engage with customers through forums such as social media, focus groups and in-depth interviews with customers to better understand customer's needs and seek their feedback.

In relation to the company's relationship and engagement with governments, regulators, community and environment, please refer to the company's section 172 (1) statement.

For 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, please refer to the section 172 (1) statement available in the BP p.l.c. Annual Report and Form 20-F 2020.

During the year the directors continued with the implementation of the company's strategy, as highlighted in the strategic report in respect of the principal activities of the company, and decisions made by the directors were in respect of operational matters, in furtherance of the bp group purpose.

**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' REPORT

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

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

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of the auditor's report of which the company's auditor is unaware; and

- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

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

Authorized for issue on behalf of the Board

DocuSigned by:
Leslie-Ann Allen
86AD7D5D540A414...

L A Allen
Director

Registered Office:

Breckland
Linford Wood
Milton Keynes
MK146GY
United Kingdom

# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

## CHARGEMASTER 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 CHARGEMASTER LIMITED

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Chargemaster 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 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 25.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

As a result of performing the above, we identified the greatest potential for fraud in the occurrence on the sale of charging units, and our specific procedures performed to address it is described below:

- We obtained the commissioning report to test the occurrence on the sale of charging units.

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.

# INDEPENDENT AUDITOR'S REPORT

**Report on other legal and regulatory requirements**

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

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

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

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

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

We have nothing to report in respect of these matters.

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

Giles Murphy FCA (Senior Statutory Auditor)
**for and on behalf of Deloitte LLP Statutory Auditor**
London, United Kingdom

___________________

# PROFIT AND LOSS ACCOUNT

## FOR THE YEAR ENDED 31 DECEMBER 2020

## CHARGEMASTER LIMITED

| | Note | 2020<br>£000 | 2019<br>£000 |
|---|---|---|---|
| **Turnover** | **3** | 18,075 | 18,111 |
| Cost of sales | | (14,694) | (12,811) |
| **Gross profit** | | 3,381 | 5,300 |
| Administrative expenses | | (18,386) | (10,945) |
| Other operating income | **3** | 452 | 163 |
| Profit/(loss) on disposal of fixed assets | **6** | 8 | (9) |
| Loss on sale of operations | **6** | — | (534) |
| Impairment of fixed asset investments | **13** | (117) | (373) |
| **Operating loss** | **4** | (14,662) | (6,398) |
| Interest receivable and similar income | **7** | 11 | 34 |
| Interest payable and similar expenses | **8** | (379) | (396) |
| **Loss before taxation** | | (15,030) | (6,760) |
| Tax on loss | **9** | 351 | (413) |
| **Loss for the financial year** | | (14,679) | (7,173) |

The loss of £14,679,000 for the year ended 31 December 2020 was derived in its entirety from continuing operations.

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

## CHARGEMASTER LIMITED

(Registered No.6720009)

| | Note | 2020<br>£000 | 2019<br>£000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible assets | **11** | 3,597 | 4,499 |
| Tangible assets | **12** | 52,388 | 27,320 |
| Investments | **13** | 1,805 | 1,805 |
| | | 57,790 | 33,624 |
| **Current assets** | | | |
| Stocks | **14** | 7,932 | 8,736 |
| Debtors - amounts falling due within one year | **15** | 7,682 | 5,446 |
| Cash at bank and in hand | | 8,052 | 9,042 |
| | | 23,666 | 23,224 |
| **Creditors:** amounts falling due within one year | **16** | (19,630) | (13,725) |
| Lease liabilities | **17** | (1,513) | (1,058) |
| Other provisions | **19** | (235) | (208) |
| **Net current assets** | | 2,288 | 8,233 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 60,078 | 41,857 |
| Deferred tax liability | **9** | — | (382) |
| Lease liabilities | **17** | (7,407) | (3,875) |
| **NET ASSETS** | | 52,671 | 37,600 |
| **Capital and reserves** | | | |
| Called up share capital | **20** | 67,952 | 38,202 |
| Share premium account | **21** | 24,871 | 24,871 |
| Profit and loss account | **21** | (40,152) | (25,473) |
| **TOTAL EQUITY** | | 52,671 | 37,600 |

Authorized for issue on behalf of the Board

DocuSigned by:
Leslie-Ann Allen
86AD7D5D540A414...

L A Allen
Director

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2020

## CHARGEMASTER LIMITED

| | Called up share capital (Note 20) | Share premium account (Note 21) | Profit and loss account (Note 21) | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Balance at 1 January 2019** | 8,462 | 24,871 | (18,300) | 15,033 |
| Loss for the financial year, representing total comprehensive income | — | — | (7,173) | (7,173) |
| Issue of share capital | 29,740 | — | — | 29,740 |
| **Balance at 31 December 2019** | 38,202 | 24,871 | (25,473) | 37,600 |
| Loss for the financial year, representing total comprehensive income | — | — | (14,679) | (14,679) |
| Issue of share capital | 29,750 | — | — | 29,750 |
| **Balance at 31 December 2020** | 67,952 | 24,871 | (40,152) | 52,671 |

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

The financial statements of Chargemaster Limited for the year ended 31 December 2020 were approved by the board of directors on ______________ and the balance sheet was signed on the board's behalf by L A Allen. Chargemaster Limited is a private company, limited by shares incorporated, domiciled and registered in England and Wales (registered number 06720009). The company's registered office is at Breckland, Linford Wood, Milton Keynes, MK146GY, 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 25 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 IFRS 7 Financial Instruments: Disclosures
(b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement
(c) 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
(d) 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
(e) the requirements of IAS 7 Statement of Cash Flows
(f) 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
(g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures

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

**Basis of preparation (continued)**

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

(h) 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
(i) 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
(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
(k) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
(l) 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 25.

The financial statements are presented in Pound 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.

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are impairment of investments and the recoverability of asset carrying values.

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.

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

**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.

**Foreign currency**

The functional and presentation currency of the financial statements is Pound 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 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.

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

**Investments (continued)**

***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 exists in relation to the company's investments. No such indicators have been identified during the current year and therefore no impairment test has needed to be performed. Accordingly, the recoverable amount of the investment has not needed to be estimated, nor any assumptions made, and no sensitivity analysis has been required. Details of the carrying value of the investments are provided in Note 13.

**Intangible assets**

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

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.

***Development expenditure***
Expenditure on the development of charger units and software, is capitalized within intangible assets and is amortised over its estimated useful life of ten years.

**Tangible assets**

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

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

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

**Tangible assets (continued)**

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

| | |
|---|---|
| **Leasehold improvements** | |
| Leasehold improvements | 5 years straight-line basis |
| Leasehold property | 48 years straight-line basis |
| **Plant and equipment** | |
| Plant and equipment | 4 to 7 years reducing balance basis |
| **Motor vehicles** | |
| Motor vehicles | 3 to 5 years reducing balance basis |
| **POLAR estate** | |
| Property - The Polar Network | 10 years straight-line basis |
| **Office equipment** | |
| Computer equipment | 2 to 5 years reducing balance basis |
| Furniture and fittings | 2 to 15 years reducing balance basis |

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

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

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

**Impairment of intangible and tangible assets**

The company assesses assets or groups of assets, called cash-generating units (CGUs) for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. 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 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.

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

**Impairment of intangible and tangible assets (continued)**

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.

***Significant judgements and estimates: recoverability of asset carrying values***

Determination as to whether, and how much, an asset, CGU, or group of CGUs containing goodwill is impaired involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates, capital expenditure and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions. Judgement is required when determining the appropriate grouping of assets into a CGU or the appropriate grouping of CGUs for impairment testing purposes. Alternative groupings of assets or CGUs may result in a different outcome from impairment testing.

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

Details of impairment charges and reversals recognized in the profit and loss account are provided in Note 4 and details of the carrying amounts of assets are shown in Note 11 and Note 12.

**Stocks**

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

**Leases**

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

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

**Leases (continued)**

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

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

The right-of-use asset is recognized on the balance sheet as property, plant and equipment at a value equivalent to the initial measurement of the lease liability adjusted for lease prepayments, lease incentives, initial direct costs and any restoration obligations. The right-of-use asset is depreciated typically on a straight-line basis, over the lease term. The depreciation charge is recognized in the income statement except where capitalized as  development expenditure. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of property, plant and equipment, intangible assets, and goodwill.

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

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

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

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

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

## 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. 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.

**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. For interest-bearing loans and borrowings this is typically equivalent to the fair value of the proceeds received net of issue costs associated with the borrowing.

After initial recognition, these financial liabilities are subsequently measured at amortized cost. This category of financial liabilities includes trade and other payables and finance debt.

**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.

**Provisions and contingent liabilities**

Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect the risks specific to the liability.

Warranty provision, which usually lasts a period of one to three years in which the company is obligated to repair certain faults 'free of charge' over the warranty period. A provision for such potential costs-has been included in the financial statements where it relates to replacement parts but has not been included where it relates to labour costs on the grounds. that the company already recognises an on-going cost in relation to personnel in full time employment by the company, solely for the purpose of conducting any maintenance and repairs which might be required.

**Employee benefits**

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the company.

**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.

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

**Taxation (continued)**

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.

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 and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

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.

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

**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.

**Turnover**

Revenue from contracts with customers is recognized when or as the company satisfies a performance obligation by transferring control of a promised good or service to a customer. The transfer of control of goods usually coincides with title passing to the customer and the customer taking physical possession. Revenue is recognized when the service is performed, in accordance with the terms of the contractual arrangements and in the accounting period in which the services are rendered.

When, or as, a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled. The transaction price is allocated to the performance obligations in the contract based on standalone selling prices of the goods or services promised.

**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.

**Development costs**

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

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

These costs are capitalized as an intangible asset and amortized over 10 years.

**Finance costs**

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

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

**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.

**Updates to significant accounting policies**

**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 statement

## 3. Turnover

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

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Revenue from contracts with customers | 18,075 | 18,111 |
| | 18,075 | 18,111 |
| Other operating income | 452 | 163 |
| Interest receivable and similar income (Note 7) | 11 | 34 |
| | 18,538 | 18,308 |

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

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Class of business: | | |
| Downstream | | |
| Homecharge | 7,952 | 5,625 |
| Commercial | 5,435 | 8,913 |
| Services | 4,688 | 3,573 |
| Total | 18,075 | 18,111 |

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

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| By geographical area: | | |
| UK | 17,942 | 17,852 |
| Rest of Europe | 16 | 210 |
| Rest of World | 117 | 49 |
| Total | 18,075 | 18,111 |

## 4. Operating loss

This is stated after charging / (crediting):

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Net foreign exchange losses/(gains)[a] | 8 | (224) |
| Amortization of intangible assets[a] | 902 | 668 |
| Depreciation of tangible assets[a] | 2,109 | 1,079 |
| Depreciation of right-of-use assets[a] | 1,367 | 1,252 |
| Impairment of investments | 117 | 373 |
| Reversal of impairment of investments[a] | — | (3,681) |
| Cost of stock recognized as an expense[b] | 13,879 | 12,073 |
| Impairment of stock recognized as an expense[b] | — | 299 |
| Loss on disposal of investments[a] | — | 3,681 |
| Write back of provision for intercompany balances[a] | — | (1,079) |
| Stock written off[b] | — | 204 |

[a] Amount is included in Administrative expenses.
[b] Amount is included in Cost of sales.

## 5. Auditor's remuneration

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Fees for the audit of the company | 74 | 28 |

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

## 6. Exceptional items

Exceptional items comprise the loss on sale of operations in prior year as follows:

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Loss on sale of operations | — | 534 |
| Exceptional items | — | 534 |

The loss on sale of operations of £534,000 in 2019 arose due to write-off of balances receivable from GB Electrical and Building Services Limited.

There was no tax effect on the sale of operations.

## 7. Interest receivable and similar income

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Bank interest receivable | 11 | 34 |

## 8. Interest payable and similar expenses

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Interest expense on lease liabilities | 379 | 396 |

## 9. 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 |
| UK corporation tax on income for the year | 31 | 31 |
| Total current tax charged | 31 | 31 |
| Deferred tax | | |
| Origination and reversal of temporary differences | (382) | 382 |
| Total deferred tax charged | (382) | 382 |
| Tax charged on loss | (351) | 413 |

**(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 2020 (2019 19%). The differences are reconciled below:

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Loss before taxation | (15,030) | (6,760) |
| Tax charge | (351) | 413 |
| Effective tax rate | 2 % | (6)% |

## 9. Taxation (continued)

### (a) Reconciliation of the effective tax rate (continued)

| | 2020 | 2019 |
|---|---|---|
| | % | % |
| UK statutory corporation tax rate: | 19 | 19 |
| Decrease resulting from: | | |
| Non-deductible expenditure | (1) | (2) |
| Non-taxable income | — | 3 |
| Research and development expenditure credit | — | (1) |
| Free group relief | (15) | (67) |
| Movements in unrecognised deferred tax | (1) | 42 |
| Effective tax rate | 2 | (6) |

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%. Deferred tax assets/liabilities at 31 December 2020 have been calculated at 19% (2019: 17%).

The UK deferred tax asset/(liability) as at 31 December 2020 was calculated at 19% (2019 17%). An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly, the impact on deferred tax has not been calculated as the unrecognised deferred tax asset relates to tax attributes that are not expected to have a future tax benefit.

### (b) Provision for deferred tax

The deferred tax included in the profit and loss account and balance sheet is as follows:

| | Profit and loss account | | Balance sheet | |
|---|---|---|---|---|
| Deferred tax asset | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Tax losses carried forward | 3,046 | (3,903) | (857) | (3,903) |
| Other deductible temporary differences | (83) | (48) | (131) | (48) |
| Net credit for deferred tax assets | 2,963 | (3,951) | (988) | (3,951) |

| | Profit and loss account | | Balance sheet | |
|---|---|---|---|---|
| Deferred tax liability | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Accelerated capital allowances | (3,345) | 4,333 | 988 | 4,333 |
| Net charge for deferred tax liabilities | (3,345) | 4,333 | 988 | 4,333 |
| Net deferred tax charge and net deferred tax liability | (382) | 382 | — | 382 |

## 9. Taxation (continued)

Analysis of movements during the year

| | 2020 |
|---|---|
| | £000 |
| At 1 January 2020 | 382 |
| Deferred tax charge in the profit and loss account | (382) |
| At 31 December 2020 | — |

Deferred tax has not been recognised on deductible temporary differences relating to tax losses of £3,457,224 with no fixed expiry date on the basis that they are UK tax attributes that are not expected to give rise to any future tax benefit.

## 10. Directors and employees

(a) Remuneration of directors

A number of directors are senior executives of the BP p.l.c. Group and received no remuneration for qualifying services to this company.

The following details relate to the directors who received remuneration for their qualifying services to the company and so are in scope for this disclosure.

The total remuneration for these qualifying directors for their period of directorship to the company amounted to £100,000 (2019 £165,000). None of these directors received non-cash benefits in relation to qualifying services.

None of these qualifying directors were members of the defined benefit section of the BP Pension Fund at 31 December 2020 (2019 None).

None of the qualifying directors exercised share options over BP p.l.c. shares during the year (2019 None).

(b) Employee costs

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Wages and salaries | 10,379 | 4,871 |
| Social security costs | 791 | 510 |
| Other pension costs | 160 | 112 |
| | 11,330 | 5,493 |

The employee costs noted above relate to those employees with contracts of employment in the name of Chargemaster Limited. These costs are borne by Chargemaster Limited.

Included in other pension costs are £160,000 (2019 £112,000) in respect of defined contribution schemes.

(c) The average monthly number of employees during the year was 353 (2019 256).

| | 2020 | 2019 |
|---|---|---|
| | No. | No. |
| Management & sales | 7 | 3 |
| Administration | 248 | 140 |
| Technical | 98 | 113 |
| | 353 | 256 |

## 11. Intangible assets

| | Development costs |
|---|---|
| | £000 |
| **Cost** | |
| At 1 January 2020 | 8,243 |
| At 31 December 2020 | 8,243 |
| **Amortization** | |
| At 1 January 2020 | 3,744 |
| Charge for the year | 902 |
| At 31 December 2020 | 4,646 |
| **Net book value** | |
| At 31 December 2020 | 3,597 |
| At 31 December 2019 | 4,499 |

## 12. Tangible assets

| | | Buildings | | Motor vehicles | | POLAR estate | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Leasehold improvements | Right-of-use | Plant and equipment | Owned assets | Right-of-use | Owned assets | Right-of-use | Office equipment | Total | Of which AUC[a] |
| **Cost** | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 January 2020 | 2,299 | 1,199 | 331 | 2,229 | 885 | 21,294 | 3,374 | 692 | 32,303 | 10,765 |
| Additions | 276 | 5,600 | 91 | 440 | — | 21,503 | — | 672 | 28,582 | 20,270 |
| Disposals | — | — | — | (25) | — | — | — | — | (25) | — |
| Write-off | — | — | — | (29) | — | — | — | — | (29) | — |
| Transfers | — | — | — | — | — | — | — | — | — | (6,815) |
| At 31 December 2020 | 2,575 | 6,799 | 422 | 2,615 | 885 | 42,797 | 3,374 | 1,364 | 60,831 | 24,220 |
| **Depreciation** | | | | | | | | | | |
| At 1 January 2020 | 50 | 521 | 165 | 719 | 342 | 1,932 | 986 | 268 | 4,983 | — |
| Charge for the year | 106 | 794 | 53 | 459 | 186 | 1,308 | 387 | 183 | 3,476 | — |
| Disposals | — | — | — | (8) | — | — | — | — | (8) | — |
| Write-off | — | — | — | (8) | — | — | — | — | (8) | — |
| At 31 December 2020 | 156 | 1,315 | 218 | 1,162 | 528 | 3,240 | 1,373 | 451 | 8,443 | — |
| **Total net book value** | | | | | | | | | | |
| At 31 December 2020 | 2,419 | 5,484 | 204 | 1,453 | 357 | 39,557 | 2,001 | 913 | 52,388 | 24,220 |
| At 31 December 2019 | 2,249 | 678 | 166 | 1,510 | 543 | 19,362 | 2,388 | 424 | 27,320 | 10,765 |

[a] AUC = assets under construction. Assets under construction are not depreciated. Within the additions under Asset under Construction, there is £6,434,000 of development expenditure relating to development projects.

## 13. Investments

| | Investment in subsidiaries |
|---|---|
| **Cost** | £000 |
| At 1 January 2019 | 5,052 |
| Additions | 999 |
| Disposals | (3,681) |
| At 31 December 2019 | 2,370 |
| At 1 January 2020 | 2,370 |
| Additions | 117 |
| At 31 December 2020 | 2,487 |
| **Impairment losses** | |
| At 1 January 2019 | 3,873 |
| Charge for the year | 373 |
| Disposals | (3,681) |
| At 31 December 2019 | 565 |
| At 1 January 2020 | 565 |
| Charge for the year | 117 |
| At 31 December 2020 | 682 |
| **Net book amount** | |
| At 31 December 2020 | 1,805 |
| At 31 December 2019 | 1,805 |

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

The investments in the subsidiary undertakings are unlisted.

The carrying value of the investment in subsidiary, Chargemaster (Europe) GMBH of £373,141 was provided in full as its carrying value in the subsidiary undertaking exceeded its recoverable amount and has been recognised in the profit and loss as of 31 December 2019.

The amounts due from Elektromotive Limited and Chargemaster (Europe) GMBH amounting to £648,350 and £350,414 respectively as at 31 December 2019 have been waived and recognised as an equity investment in the subsidiaries.

The carrying value of the investment in subsidiary, Chargemaster (Europe) GMBH of £117,117 was provided in full as its carrying value in the subsidiary undertaking exceeded its recoverable amount and has been recognised in the profit and loss as of 31 December 2020.

The subsidiary undertakings of the company at 31 December 2020 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

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

## 13. Investments (continued)

**Subsidiary undertakings**

| Company name | Class of share held | % | Registered address | Principal activity |
|---|---|---|---|---|
| Elektromotive Limited | Ordinary shares | 100 | Breckland<br>Linford Wood<br>Milton Keynes<br>MK146GY<br>United Kingdom | Investment holding |
| Chargemaster (Europe) GMBH | Ordinary shares | 100 | Bischof-von-Henle-Straße 2a<br>Regensburg 93051<br>Deutschland | Supply and installation of charge points |
| Charging Solutions Limited | Ordinary shares | 100 | 55 Baker Street<br>London<br>W1U 7EU<br>United Kingdom | In liquidation |

## 14. Stocks

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Raw materials and consumables | 3,644 | 6,778 |
| Work in progress | 1,051 | 174 |
| Finished goods and goods for resale | 3,237 | 1,784 |
| | 7,932 | 8,736 |

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

## 15. Debtors

Amounts falling due within one year:

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Trade debtors | 3,248 | 2,414 |
| Amounts owed from fellow subsidiaries | 1,011 | — |
| Other debtors | 691 | 1,728 |
| Prepayments and accrued income | 2,044 | 1,304 |
| Contract assets | 688 | — |
| | 7,682 | 5,446 |

Trade and other receivables are non-interest bearing.

Contract assets relates to the balances due from customers against the contracts for the installation of charging points. Payment for installation of charging point is not due from the customer until the installation services are completed and therefore a contract asset is recognised over the period in which the installation services are performed to represent the company’s right to consideration for the services transferred to date.

## 16. Creditors

Amounts falling due within one year:

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Trade creditors | 721 | 2,473 |
| Amounts owed to fellow subsidiaries | 5,091 | 4,413 |
| Other creditors | 62 | 61 |
| Other taxes and social security costs | 619 | 262 |
| Accruals and deferred income | 13,137 | 6,516 |
| | 19,630 | 13,725 |

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.

## 17. Obligations under leases

Loans repayable and obligations under leases are analysed as follows:

Within 1 year

| | 2020 | 2019 |
|---|---|---|
| | Lease liabilities | Lease liabilities |
| | £000 | £000 |
| Not wholly repayable | 1,513 | 1,058 |

After 1 year

| | 2020 | 2019 |
|---|---|---|
| | Lease liabilities | Lease liabilities |
| | £000 | £000 |
| Not wholly repayable | 7,406 | 3,875 |

## 18. Leases

The company leases a number of assets as part of its activities. The leases are negotiated for an average term of 3 years (2019 3 years).

The company may enter into lease arrangements a number of years before taking control of the underlying asset due to construction lead times or to secure future operational requirements. The total undiscounted amount for future commitments for leases not yet commenced as at 31 December 2020 is £Nil (2019 £77,500).

| | 2020 |
|---|---|
| | £000 |
| Additions to right-of-use assets in the period | 5,600 |
| Total cash outflow for amounts included in lease liabilities[a] | 1,974 |

[a] The cash outflows for amounts not included in lease liabilities approximate the income statement expense disclosed above.

## 18. Leases (continued)

An analysis of right-of-use assets and depreciation is provided in Note 12. An analysis of lease interest expense is provided in Note 8.

## 19. Other provisions

| | Warranty |
|---|---|
| | £000 |
| At 1 January 2020 | 208 |
| Charged to profit and loss account | 27 |
| At 31 December 2020 | 235 |
| At 31 December 2020 | 235 |
| At 31 December 2019 | 208 |

Warranty provision arises when the company is obligated to repair certain faults 'free of charge' over the warranty period. A provision for such potential costs has been included in the financial statements where it relates to replacement parts but has not been included where it relates to labour costs on the grounds that the company already recognises an on-going cost in relation to personnel in full time employment by the company, solely for the purpose of conducting any maintenance and repairs which might be required.

## 20. Called up share capital

| | 2020 | 2019 |
|---|---|---|
| | £000 | £000 |
| Issued and fully paid: | | |
| 1,698,800,598 (2019 955,050,598) ordinary shares of £0.04 each for a total nominal value of £67,972,024 (2019 £38,202,024) | 67,952 | 38,202 |
| | 67,952 | 38,202 |

On 28 May 2020, 325,000,000 ordinary shares of £0.04 each for a total nominal value of £13,000,000 were allotted to the parent company at par value.

On 28 Sept 2020, 325,000,000 ordinary shares of £0.04 each for a total nominal value of £13,000,000 were allotted to the parent company at par value.

On 24 December 2020, 93,750,000 ordinary shares of £0.04 each for a total nominal value of £3,750,000 were allotted to the parent company at par value.

## 21. 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 accumulated losses of the company.

## 22. Capital commitments

Authorized and contracted future capital expenditure (excluding right-of-use assets) by the company for which contracts had been placed but not provided in the financial statements is estimated at £1,405,784.

## 23. 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.

## 24. Post balance sheet events

After the balance sheet date, 1,304,347,826 ordinary shares of £0.04 each for a total nominal value of £52,173,913, were allotted to the immediate parent company at par value.

## 25. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Advanced Mobility 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.