

BP PLC
Form 20-F
March 06, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended 31 December 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 1-6262

BP p.l.c.

(Exact name of Registrant as specified in its charter)

England and Wales

(Jurisdiction of incorporation or organization)

1 St James s Square, London SW1Y 4PD

United Kingdom

(Address of principal executive offices)

Dr Brian Gilvary

BP p.l.c.

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Ordinary Shares of 25c each	New York Stock Exchange*
Floating Rate Guaranteed Notes due 2014	New York Stock Exchange
Floating Rate Guaranteed Notes due May 2015	New York Stock Exchange
Floating Rate Guaranteed Notes due November 2015	New York Stock Exchange
Floating Rate Guaranteed Notes due 2016	New York Stock Exchange
Floating Rate Guaranteed Notes due May 2018	New York Stock Exchange
Floating Rate Guaranteed Notes due September 2018	New York Stock Exchange
Floating Rate Guaranteed Notes due 2019	New York Stock Exchange
3.625% Guaranteed Notes due 2014	New York Stock Exchange
1.700% Guaranteed Notes due 2014	New York Stock Exchange

0.700% Guaranteed Notes due 2015	New York Stock Exchange
3.875% Guaranteed Notes due 2015	New York Stock Exchange
3.125% Guaranteed Notes due 2015	New York Stock Exchange
2.248% Guaranteed Notes due 2016	New York Stock Exchange
3.200% Guaranteed Notes due 2016	New York Stock Exchange
1.375% Guaranteed Notes due 2017	New York Stock Exchange
1.375% Guaranteed Notes due 2018	New York Stock Exchange
2.241% Guaranteed Notes due 2018	New York Stock Exchange
1.846% Guaranteed Notes due 2017	New York Stock Exchange
4.750% Guaranteed Notes due 2019	New York Stock Exchange
2.237% Guaranteed Notes due 2019	New York Stock Exchange
4.500% Guaranteed Notes due 2020	New York Stock Exchange
4.742% Guaranteed Notes due 2021	New York Stock Exchange
3.561% Guaranteed Notes due 2021	New York Stock Exchange
2.500% Guaranteed Notes due 2022	New York Stock Exchange
3.245% Guaranteed Notes due 2022	New York Stock Exchange
2.750% Guaranteed Notes due 2023	New York Stock Exchange
3.994% Guaranteed Notes due 2023	New York Stock Exchange
3.814% Guaranteed Notes due 2024	New York Stock Exchange

*Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission

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Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary Shares of 25c each	20,426,632,529
Cumulative First Preference Shares of £1 each	7,232,838
Cumulative Second Preference Shares of £1 each	5,473,414

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).* Yes No

* This requirement does not apply to the registrant in respect of this filing.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

International Financial Reporting

Standards as issued by the

U.S. GAAP International Accounting Standards Board Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Annual Report and

Form 20-F 2013

bp.com/annualreport

Building a stronger,

safer BP

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Our actions continue to make BP stronger and safer. We are growing shareholder returns through operational efficiency and financial discipline. We report on our progress here.

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Information about this report

Frequent abbreviations**ADR**

American depository receipt.

This document constitutes the Annual Report and Accounts in accordance with UK requirements and the Annual Report on Form 20-F in accordance with the US Securities Exchange Act of 1934, for BP p.l.c. for the year ended 31 December 2013. A cross reference to Form 20-F requirements is included on page 282.

ADS

American depository share.

The *BP Annual Report and 20-F 2013* reflects a number of significant changes in regulations in the UK. The most significant change is the requirement to produce a new strategic report that replaces the previous business review. The regulations require certain new disclosure to be included in the strategic report including a description of company's strategy and business model – we have included a more focused and graphical presentation of BP's strategy and business model in this report, compared with the 2012 report.

Barrel (bbl)

159 litres, 42 US gallons.

bcf

Billion cubic feet.

bcf/d

Billion cubic feet per day.

This document contains the Strategic report on pages 1-58 and the inside cover (Who we are section) and the Directors' report on pages 59-80, 109-114, 116, 200-223 and 235-280. The Strategic report and the Directors' report together include the management report required by DTR 4.1 of the UK Financial Conduct Authority's Disclosure and Transparency Rules. The Directors' remuneration report is on pages 81-108. The consolidated financial statements of the group are on pages 115-199 and the corresponding reports of the auditor are on pages 120-121.

bcfe

Billion cubic feet equivalent.

bcma

Billion cubic metres per annum.

b/d

Barrels per day.

BP Annual Report and Form 20-F 2013 and *BP Strategic Report 2013* (comprising the Strategic report and supplementary information) may be downloaded from bp.com/annualreport. No material on the BP website, other than the items identified as *BP Annual Report and Form 20-F 2013* or *BP Strategic Report 2013* (comprising the Strategic report and supplementary information), forms any part of those documents. References in this document to other documents on the BP website, such as the *BP Energy Outlook*, are included as an aid to their location and are not incorporated by reference into this document.

boe

Barrels of oil equivalent.

GAAP

Generally accepted accounting practice.

Gas

Natural gas.

BP p.l.c. is the parent company of the BP group of companies. The company was incorporated in 1909 in England and Wales and changed its name to BP p.l.c. in 2001. Where we refer to the company, we mean BP

Hydrocarbons

Liquids and natural gas.

IFRS

International Financial Reporting Standards.

Liquids

Crude oil, condensate and natural gas liquids.

LNG

Liquefied natural gas.

LPG

Liquefied petroleum gas.

mb/d

Thousand barrels per day.

mboe/d

Thousand barrels of oil equivalent per day.

mmboe

Million barrels of oil equivalent.

mmBtu

Million British thermal units.

mmcf

Million cubic feet.

mmcf/d

Million cubic feet per day.

MW

Megawatt.

p.l.c. Unless otherwise stated, the text does not distinguish between the activities and operations of the parent company and those of its subsidiaries, and information in this document reflects 100% of the assets and operations of the company and its subsidiaries that were consolidated at the date or for the periods indicated, including non-controlling interests.

BP's primary share listing is the London Stock Exchange. Ordinary shares are also traded on the Frankfurt Stock Exchange in Germany and, in the US, the company's securities are traded on the New York Stock Exchange (NYSE) in the form of ADSs (see page 274 for more details).

The term "shareholder" in this report means, unless the context otherwise requires, investors in the equity capital of BP p.l.c., both direct and indirect. As BP shares, in the form of ADSs, are listed on the NYSE, an Annual Report on Form 20-F is filed with the US Securities and Exchange Commission (SEC). Ordinary shares are ordinary fully paid shares in BP p.l.c. of 25 cents each. Preference shares are cumulative first preference shares and cumulative second preference shares in BP p.l.c. of £1 each.

Trade marks of the BP group appear throughout this Annual Report and Form 20-F in italics.

They include:

LoSal

Aral

Project 20K

ARCO

SaaBre

BP

Veba Combi-Cracking (VCC)

Castrol

Permasense is a trade mark of Permasense Limited.

Castrol EDGE

Field of the Future

Pick n Pay is a registered trademark of Pick n Pay Stores Limited.

Fluid Strength Technology

Hummingbird

NGLs	Registered office and our worldwide	Our agent in the US:
Natural gas liquids.	headquarters:	
PSA		
Production-sharing agreement.	BP p.l.c.	BP America Inc.
RC	1 St James s Square	501 Westlake Park Boulevard
Replacement cost.	London SW1Y 4PD	Houston, Texas 77079
SEC	UK	US
The United States Securities and Exchange Commission.	Tel +44 (0)20 7496 4000	Tel +1 281 366 2000
Therm	Registered in England and Wales No. 102498.	
100,000 British thermal units.	Stock exchange symbol BP .	
Tonne		
2,204.6 pounds.		

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Chairman's letter

10-year dividend history

UK (pence per ordinary share)

Dear fellow shareholder,

In 2013 BP continued the programme of renewal we began following the crisis of 2010. The measures taken to secure and reshape the group are taking hold. As this report shows, BP is stronger and safer as a result.

US (cents per ADS)

One ADS represents six 25 cent ordinary shares.

Change within the group has taken place against the backdrop of a rapidly evolving world. The energy landscape is developing at pace, for example, the growth of shale gas in the US. But the long-term supply challenge has not gone away. More energy is required to meet the needs and aspirations of a rising global population. The *BP Energy Outlook* projects an average increase in energy demand of 1.5% per year through to 2035. That's like adding the needs of a country twice the size of the US over the next twenty years.

We are also seeing that society has ever higher expectations of business. This is reflected in the increasing scrutiny placed on the commercial sector, particularly by politicians and the media. Companies must work hard to maintain people's trust and respect.

Shareholders' expectations are shifting too, particularly in the extractive industries sector. Some investors feel that international oil companies have spent too much for too little return. A decade of mergers and acquisitions in our industry has generated little production growth. Capital expenditure has increased but profit margins have been squeezed. Rightly, shareholders expect better returns.

The board recognizes this changing world and the importance of our response. Throughout 2013 we gave close attention to strategy, project appraisal and capital discipline, working with Bob Dudley and his team to ensure the group spends its money wisely. BP's strategy is rooted in three

imperatives: clear priorities, a quality portfolio and distinctive capabilities.

Our first clear priority is to run safe and reliable operations. We must also make disciplined financial choices, selecting the smart options that can help meet demand and generate value. Furthermore, we must be competitive in how we execute our projects.

Our quality portfolio, which is at the core of our strategy, is the result of the choices we make. It contains assets that enable us to play to our areas of greatest strength, from exploration to high-value upstream projects particularly deepwater operations, giant fields and gas value chains and high-quality downstream businesses.

To these assets and activities we apply our distinctive capabilities – the expertise of our people, advanced technology and the ability to build the strong relationships required to access resources and deliver complex projects.

In all of this, we are focused on value before volume. In other words we don't simply chase production for the sake of it, rather we choose projects where we can generate the most value through our production.

We know we must be disciplined, sticking to clear limits on capital expenditure, and balancing rewards for shareholders today with the long-term capital investment required for tomorrow. Safety and strong governance must underpin everything we do.

2013 was a busy and successful year for BP, with progress in our underlying operations. Our growing confidence was reflected in the dividend increase announced in October

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Board performance

For information about the board and its committees see page 71.

Remuneration

For information about our approach to executive directors remuneration see page 20.