BP PLC
Form 11-K
June 02, 2014

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

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

For fiscal year ended December 31, 2013

OR

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

For the transition period from ________to ________

Commission file number 1-6262

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

BP EMPLOYEE SAVINGS PLAN
BP CAPITAL ACCUMULATION PLAN
BP PARTNERSHIP SAVINGS PLAN
BP DIRECTSAVE PLAN

501 Westlake Park Boulevard
Houston, Texas 77079

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BP p.l.c.
1 St. James's Square
London SW1Y 4PD England

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Savings Plan Investment Oversight Committee
BP Corporation North America Inc.

We have audited the accompanying statements of net assets available for benefits of the BP Employee Savings Plan, the BP Capital Accumulation Plan, the BP Partnership Savings Plan, and the BP DirectSave Plan (collectively referred to as the Plans) as of December 31, 2013 and 2012, and each Plan’s related statement of changes in net assets available for benefits for the year ended December 31, 2013. These financial statements are the responsibility of the Plans’ management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plans’ internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the BP Employee Savings Plan, the BP Capital Accumulation Plan, the BP Partnership Savings Plan, and the BP DirectSave Plan at December 31, 2013 and 2012, and the changes in their net assets available for benefits for the year ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements for each of the Plans taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2013 and delinquent participant contributions for the year ended December 31, 2013 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information has been subjected to the auditing procedures applied in our audits of the financial statements for each of the Plans and, in our opinion, is fairly stated in all material respects in relation to the financial statements for each of the Plans taken as a whole.

/s/ Ernst & Young LLP
Houston, Texas
June 2, 2014

EIN 36-1812780
BP SELECTED EMPLOYEE SAVINGS PLANS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2013
thousands of dollars

	BP Employee Savings Plan (Plan No. 001)	BP Capital Accumulation Plan (Plan No. 059)	BP Partnership Savings Plan (Plan No. 051)	BP DirectSave Plan (Plan No. 052)
Investment in the BP Master Trust for Employee Savings Plans at fair value	$7,854,665	$ 49,885	$ 18,611	$ 1,410
Notes receivable from participants	92,214	1,586	273	-
Net assets reflecting all investments at fair value	7,946,879	51,471	18,884	1,410
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(6,988)	(12)	(14)	(6)
Net assets available for benefits	$7,939,891	$ 51,459	$ 18,870	$ 1,404

The accompanying notes are an integral part of these statements.
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EIN 36-1812780
BP SELECTED EMPLOYEE SAVINGS PLANS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2012
thousands of dollars

	BP Employee Savings Plan (Plan No. 001)	BP Capital Accumulation Plan (Plan No. 059)	BP Partnership Savings Plan (Plan No. 051)	BP DirectSave Plan (Plan No. 052)
Investment in the BP Master Trust for Employee Savings Plans at fair value	$7,334,757	$111,095	$ 15,369	$ 1,491
Notes receivable from participants	104,982	6,266	255	-
Net assets reflecting all investments at fair value	7,439,739	117,361	15,624	1,491
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(14,333)	(33)	(25)	(12)
Net assets available for benefits	$7,425,406	$117,328	$ 15,599	$ 1,479

The accompanying notes are an integral part of these statements.
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EIN 36-1812780
BP SELECTED EMPLOYEE SAVINGS PLANS

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2013
thousands of dollars

	BP Employee Savings Plan (Plan No. 001)	BP Capital Accumulation Plan (Plan No. 059)	BP Partnership Savings Plan (Plan No. 051)	BP DirectSave Plan (Plan No. 052)
Additions of assets attributed to:				
Participant contributions	$305,252	$1,446	$ 2,013	$ -
Company contributions	193,489	875	709	-
Rollover contributions	91,234	428	66	-
Interest on notes receivable	4,208	146	11	-
Net investment gain – BP Master Trust for Employee Savings Plans	1,074,193	11,512	2,215	101
Total additions	1,668,376	14,407	5,014	101
Deductions of assets attributed to:				
Distributions to participants	1,173,197	80,272	1,740	161
Administrative expenses	193	4	3	15
Total deductions	1,173,390	80,276	1,743	176
Net increase (decrease) in net assets during the year before transfers	494,986	(65,869)	3,271	(75)
Transfer from BP Solar and Wind Employee Savings Plan	19,499	-	-	-
Net assets available for benefits:				
Beginning of year	7,425,406	117,328	15,599	1,479
End of year	$7,939,891	$51,459	$ 18,870	$ 1,404

The accompanying notes are an integral part of these statements.
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NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLANS

The accompanying financial statements comprise employee savings plans of BP Corporation North America Inc. (the "Company") that participate in the BP Master Trust for Employee Savings Plans (the "Master Trust"). The Company is an indirect wholly owned subsidiary of BP p.l.c. ("BP").

The following description of the BP Employee Savings Plan, the BP Capital Accumulation Plan, the BP Partnership Savings Plan and the BP DirectSave Plan (the "Plans") provides only general information. Participants should refer to the applicable Plan document, Summary Plan Description and Investment Option Guide for more complete information. The Plans are subject to and comply with the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The purpose of the Plans is to encourage eligible employees to regularly save part of their earnings and to assist them in accumulating additional financial security for their retirement. The Plans provide that both participant contributions and Company matching contributions be held in a trust by an independent trustee for the benefit of participating employees. All plan assets are held in the Master Trust. The trustee of the Master Trust is State Street Bank and Trust Company ("State Street").

Fidelity Investments Institutional Services Company, Inc. is the recordkeeper for the Plans. The Company is the Plan sponsor and the Company's Director, Retirement Plans, Western Hemisphere is the Plan Administrator for the Plans.

General

BP Employee Savings Plan

The BP Employee Savings Plan ("ESP") was established on July 1, 1955. Generally, an employee of the Company or a participating affiliate is eligible to participate in ESP immediately upon the date of hire, as long as that employee is not eligible to participate in a separate Company-sponsored defined contribution plan. Employees who are represented by a labor organization that has bargained for and agreed to the provisions of ESP are also eligible.

Under ESP, participating employees may contribute up to 80 percent of their qualified pay on a pre-tax, after-tax and/or Roth 401(k) basis, subject to Internal Revenue Service ("IRS") limits. Participants who attain the age of 50 before the end of the applicable plan year are eligible to make additional elective deferrals (catch-up contributions), subject to IRS limits. A specified portion of the employee contribution, up to a maximum of 7 percent of compensation, as defined, is matched each pay period by the Company. Participants are permitted to rollover amounts into ESP representing distributions from other qualified plans.

The Plan includes an auto-enrollment provision whereby all eligible new hires and rehires are automatically enrolled in the Plan unless they affirmatively elect not to participate. Automatically enrolled participants have their pre-tax deferral rate set at 7 percent of eligible compensation and their contributions invested in a target date fund nearest the employee's retirement date (assumed to be at age 65).

NOTES TO FINANCIAL STATEMENTS (continued)

1. DESCRIPTION OF THE PLANS (continued)

Participants may convert eligible assets into Roth 401(k) accounts within the Plan. The amount eligible for conversion is the amount eligible for immediate distribution under the Plan rules and eligible for rollover into an IRA.

Effective December 11, 2013, the BP Solar and Wind Employee Savings Plan ("BP Solar Plan") was merged into ESP. As a result, assets totaling $19.5 million were transferred from the BP Solar Plan to ESP.

The benefit to which a participant is entitled is the benefit that can be provided by the participant's vested account balance. Participants are immediately and fully vested in their participant contribution accounts. Full vesting in Company matching contribution accounts occurs with three years of vesting service. At December 31, 2013 and 2012, forfeited non-vested accounts totaled $198,215 and $181,042, respectively. The Plan may use forfeitures to reduce future Company matching contributions or to pay plan expenses.

BP Capital Accumulation Plan

The BP Capital Accumulation Plan ("CAP") was established on July 1, 1988. Employees of the Company and its subsidiaries who are represented employees at the Carson, California refinery are eligible to participate in CAP. The plan was frozen to new participants effective January 1, 2002. On June 1, 2013, the Company divested the southern part of its U.S. West Coast fuels value chain which included the Carson refinery. Currently, there are no active employees contributing to this plan due to the divestiture.

Under CAP, participants may contribute up to 27 percent of their base pay, subject to IRS limits. Participants who attain the age of 50 before the end of the applicable plan year are eligible to make additional elective deferrals (catch-up contributions), subject to IRS limits. Participants' pre-tax contributions, up to a maximum of 5 percent of eligible compensation, are matched each pay period by the Company at 160 percent. Participants are permitted to rollover amounts into CAP representing distributions from other qualified plans.

All contributions and earnings are immediately vested and non-forfeitable. The benefit to which a participant is entitled is the benefit that can be provided by the participant's account balance.

BP Partnership Savings Plan

The BP Partnership Savings Plan ("PSP") was established on April 1, 1988. Certain salaried employees of the Company who are associated with the Company's retail operations and employees of Global Business Services Americas are eligible to participate in PSP immediately upon the date of hire.

Under PSP, participating employees may contribute up to 80 percent of their qualified pay on a pre-tax, after-tax and/or Roth 401(k) basis, subject to IRS limits. Participants who attain the age of 50 before the end of the applicable plan year are eligible to make additional elective deferrals (catch-up contributions), subject to IRS limits.

NOTES TO FINANCIAL STATEMENTS (continued)

1. DESCRIPTION OF THE PLANS (continued)

A specified portion of the employee contribution, up to a maximum of 3 percent of compensation, as defined, is matched each pay period by the Company. Participants are permitted to rollover amounts into PSP representing distributions from other qualified plans.

The Plan includes an auto-enrollment provision whereby all eligible new hires and rehires are automatically enrolled in the Plan unless they affirmatively elect not to participate. Automatically enrolled participants have their pre-tax deferral rate set at 3 percent of eligible compensation and their contributions invested in a target date fund nearest the employee's retirement date (assumed to be at age 65).

Participants may convert eligible assets into Roth 401(k) accounts within the Plan. The amount eligible for conversion is the amount eligible for immediate distribution under the Plan rules and eligible for rollover into an IRA.

The benefit to which a participant is entitled is the benefit that can be provided by the participant's vested account balance. Participants are immediately and fully vested in their participant contribution accounts. Full vesting in Company matching contribution accounts occurs with three years of vesting service. At December 31, 2013 and 2012, forfeited non-vested accounts totaled $29 and $1,712, respectively. The Plan may use forfeitures to reduce future Company matching contributions or to pay plan expenses.

BP DirectSave Plan

The BP DirectSave Plan ("DSP") was established on April 1, 1988. Employees of the Company and its subsidiaries who are hourly employees at Company-operated retail locations, plane fueling or fuel system operations are eligible to participate in the Plan after the completion of six months of service and the attainment of age 21. Currently, there are no active employees contributing to the Plan.

Under DSP, participating employees may contribute up to 80 percent of their qualified pay on a pre-tax, after-tax and/or Roth 401(k) basis, subject to IRS limits. Participants who attain the age of 50 before the end of the applicable year are eligible to make additional elective deferrals (catch-up contributions), subject to IRS limits. Except for eligible employees of Air BP, the Company makes matching contributions to the participant's account equal to $0.50 for each $1.00 of employee contributions up to 4 percent of eligible compensation each pay period. Participants are permitted to rollover amounts into DSP representing distributions from other qualified plans.

A participant may convert eligible assets into Roth 401(k) accounts within the Plan. The amount eligible for conversion is the amount eligible for immediate distribution under the Plan rules and eligible for rollover into an IRA.

The benefit to which a participant is entitled is the benefit that can be provided by the participant's vested account balance. Participants are immediately and fully vested in their participant contribution accounts. Vesting in Company matching contribution accounts occurs at 25% after two years of vesting service and 100% after three years of vesting service. At December 31, 2013 and 2012, forfeited non-vested accounts totaled $220,563 and $235,368, respectively.

NOTES TO FINANCIAL STATEMENTS (continued)

1. DESCRIPTION OF THE PLANS (continued)

The Plan may use forfeitures to reduce future Company matching contributions or to pay plan expenses.

Investment Options

Investment options offered under the Plans include target date funds, equity and fixed-income index funds, a short-term investment fund, a stable value fund (Income Fund) and the BP Stock Fund. Participants may change the percentage they contribute and the investment direction of their contributions daily. Company contributions are made in the form of cash contributions and are invested in funds selected by participants.

Participants may elect to sell any portion of their investment fund(s) and reinvest the proceeds in one or more of the other available investment alternatives. Except where the fund provider, the recordkeeper, or the Plan has restrictions or takes discretionary action responsive to frequent trading or market timing concerns, there are no restrictions on the number of transactions a participant may authorize during the year.

Administrative Expenses/Fund Management Fees

Except for fees related to the administration of participant loans and overnight delivery charges that are deducted from the applicable participant's account, all reasonable and necessary administrative expenses are paid out of the Master Trust or paid by the Company. Generally, fees and expenses related to investment management of each investment option are paid out of the respective funds. As a result, the returns on those investments are net of the investment management fees and expenses and certain other brokerage commissions, fees and administration expenses incurred in connection with those investment options.

Payment of Benefits

Participants may elect to receive in-service withdrawals subject to various restrictions as described in the applicable Plan document. Upon termination of employment, subject to a minimum account balance, a participant may elect to receive his or her vested account balance in a lump-sum payment or in installments. A participant may also elect to defer receipt of his or her vested account balance, partially or wholly, to a later date.

Notes Receivable from Participants

Except for DSP, participants are eligible to borrow from their account balances in the Plans. Loans are made in the form of cash and the amount may not exceed the lesser of 50 percent of the market value of the total vested participant's account or $50,000 less the participant's highest loan balance outstanding during the preceding 12 months. Interest rates charged on unpaid balances are fixed for the duration of the loan. For ESP and PSP, the interest rate charged is one percent plus the prime rate as reported by The Wall Street Journal on the last business day of the calendar quarter immediately preceding the calendar quarter in which the participant applies for the loan. For CAP, the interest rate charged is the prime rate as reported by The Wall Street Journal on the last business day of the month immediately preceding the month in which the participant applies for the loan. Repayment of loan principal and interest is generally made by payroll deductions which are credited to the participant's account.

NOTES TO FINANCIAL STATEMENTS (continued)

1. DESCRIPTION OF THE PLANS (continued)

Plan Termination

The Company reserves the right to amend or terminate the Plans at any time. In the event of a plan termination, participants will become 100 percent vested in their Company matching contribution accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting. The financial statements of the Plans are prepared under the accrual method of accounting in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”).

Reclassifications. Certain prior year amounts in the Master Trust statement of net assets (Notes 6 and 7) have been reclassified to conform to the current year presentation.

Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Payment of Benefits. Benefits are recorded when paid.

Investment Valuation. All investment assets held by the Master Trust are stated at fair value. Further information regarding the techniques used to measure the fair value of investment assets held by the Master Trust is detailed in Note 7 (Fair Value Measurements).

In connection with the stable value fund (Income Fund), the Master Trust invests in fully benefit-responsive synthetic guaranteed investment contracts (“synthetic GICs”). See Note 6. These investment contracts are recorded at fair value; however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts, as contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plans.

Notes Receivable from Participants. Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

BP SELECTED EMPLOYEE SAVINGS PLANS

NOTES TO FINANCIAL STATEMENTS (continued)

3. INCOME TAX STATUS

The Plans have received determination letters from the IRS (dated as shown below) stating that the Plans are qualified under Section 401(a) of the Internal Revenue Code ("IRC") and, therefore, the related trust is exempt from taxation.

Plan	Date
ESP	May 28, 2013
CAP	January 24, 2012
PSP	May 25, 2011
DSP	May 16, 2011

The Plans have been amended since the most recent determination letters. Once qualified, the Plans are required to operate in conformity with the IRC in order to maintain their qualification. The Plan Administrator believes the Plans are being operated in compliance with the applicable requirements of the IRC and, therefore, believes the Plans, as amended, are qualified and the related trust is tax-exempt.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plans and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken. The Plans have recognized no interest or penalties related to uncertain tax positions. The Plans are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Plans are no longer subject to income tax examinations for years prior to 2010.

NOTES TO FINANCIAL STATEMENTS (continued)

4. CONTINGENCIES

In 2011, a lawsuit was brought in the United States District Court for the Southern District of Texas against BP and various alleged Plan fiduciaries. The lawsuit was purportedly brought on behalf of the Plans and those plan participants who incurred a loss in the BP Stock Fund at any time from January 16, 2007 through June 24, 2010, inclusive (the "Class Period"). The suit alleges that the defendants breached their duties to the plaintiffs and the Plans in violation of ERISA fiduciary rules by continuing to offer, hold and acquire units of the BP Stock Fund during the Class Period. After the court granted BP's motion to dismiss the lawsuit in its entirety in 2012, the plaintiffs filed an appeal to the Fifth Circuit. The Fifth Circuit recently notified the parties that it is awaiting a decision by the U.S. Supreme Court in the Fifth Third Bank case before the Fifth Circuit will rule on the BP stock drop lawsuit. Due to the uncertainty surrounding the litigation, BP cannot reasonably estimate the financial impact to the Plans, if any, at this time.

5RISKS AND UNCERTAINTIES

Investment securities held in the Master Trust are exposed to various risks such as interest rate, market risks and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

6. MASTER TRUST

The purpose of the Master Trust is the collective investment of assets of participating plans. Participating plans include ESP, CAP, PSP, DSP and the BP Employee Savings Plan of Puerto Rico ("Puerto Rico Plan"). Each participating plan's interest in the Master Trust is based on account balances of the participants and their elected investment options. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the Master Trust.

Investment income and administrative expenses related to the Master Trust are allocated to the individual plans on a daily basis based on each participant's account balance within each investment fund option.

NOTES TO FINANCIAL STATEMENTS (continued)

6. MASTER TRUST (continued)

Synthetic Guaranteed Investment Contracts. In connection with the stable value fund (Income Fund) investment option, the Master Trust enters into synthetic GICs. The Master Trust's interest in the contracts represents the maximum potential credit loss from concentrations of credit risk associated with its investment.

The synthetic GICs provide for the payment of a stated interest rate for a specified period of time. The underlying assets are owned by the Master Trust. Under the contracts, investment gains and losses on the underlying assets are not reflected immediately in net assets. Rather, the gains and losses are amortized, usually over time to maturity or the duration of the underlying investments, through adjustments to future interest crediting rates. These adjustments generally result in contract value, over time, converging with the market value of the underlying assets. Factors affecting future interest crediting rates include the current yield, duration and the existing difference between market and cont