

**BP GLOBAL INVESTMENTS LIMITED**

(Registered No 00263889)

**ANNUAL REPORT AND ACCOUNTS 2012**

Board of Directors      R C Harrington  
                                    B Gilvary  
                                    D J Bucknall  
                                    J H Bartlett

**REPORT OF THE DIRECTORS**

The directors present their report and accounts for the year ended 31 December 2012

**Results and dividends**

The profit for the year after taxation was \$1,685,250,000 which, when added to the retained profit brought forward at 1 January 2012 of \$17,544,053,000 and total paid interim dividends to ordinary shareholders of \$8,494,250,000, gives a total retained profit carried forward at 31 December 2012 of \$10,735,053,000

During the year the company has declared and paid dividends of \$8,494,250,000 (2011 \$6,236,839,000) The directors do not propose the payment of a final dividend

**Principal activity and review of the business**

The company holds investments in subsidiary and associated undertakings worldwide

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

	2012	2011	Variance
	\$000	\$000	%
Dividend income	1,297,919	5,362,024	(76)
Operating profit	1,640,923	5,273,985	(69)
Profit after taxation	1,685,250	6,203,371	(73)
Shareholders' funds	11,033,414	17,842,414	(38)

Profit after taxation decreased significantly mainly due to a reduction in dividends received from subsidiary and associated undertakings and a decrease in gains on liquidation and disposal of fixed assets investments. The decrease in shareholders' funds is due to a dividend paid to the shareholder during the year

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## **BP GLOBAL INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

#### **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 at a group level. Monitoring and accountability for the management of these risks occur through quarterly performance reviews at a group level.

We urge you to consider carefully the risks described below. The potential impact of the occurrence or reoccurrence of any of the risks described below could have a material adverse effect on the company's business, financial position, results of operations, competitive position, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda.

Company level risks have been categorised against the following areas: strategic and commercial, compliance and control and financial risk management. In addition, we have also set out a further category of risk for your attention – those resulting from the 2010 Gulf of Mexico oil spill (the Incident).

#### **Gulf of Mexico oil spill**

The Gulf of Mexico oil spill has had and could continue to have a material adverse impact on BP as a group, and consequently may also have an adverse impact on BP Global Investments Limited.

Whilst the BP group recognised significant charges in the income statement since the Incident occurred in 2010, there is significant uncertainty regarding the extent and timing of the remaining costs and liabilities relating to the Incident, the potential changes in applicable regulations and the operating environment that may result from the Incident, the impact of the Incident on the reputation of the group and the resulting possible impact on the group's licence to operate including its ability to access new opportunities. The amount of claims that become payable by the BP group, the amount of fines ultimately levied on the BP group (including any potential determination of the BP group's negligence or gross negligence), the outcome of litigation, the terms of any further settlements including the amount and timing of any payments thereunder, and any costs arising from any longer-term environmental consequences of the Incident, will also impact upon the ultimate cost for the BP group.

Although the provisions recognised represent the current best estimates of expenditures required to settle certain present obligations that can be reasonably estimated at the end of the reporting period, there are future expenditures for which it is not possible to measure the obligations reliably and the total amounts payable by the BP group in relation to all obligations relating to the Incident are subject to significant uncertainty. These uncertainties are likely to continue for a significant period, increase the risks to which the group is exposed and may cause costs to increase. Thus, the Incident has had, and could continue to have, a material adverse impact on the group's business, competitive position, financial performance, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda, particularly in the US. The risks associated with the Incident could also heighten the impact of the other risks to which the group is exposed as further described below. Further information on the Incident, is included within the BP group Annual Report and Form 20-F for the year ended 31 December 2012.

## **BP GLOBAL INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

#### **Principal risks and uncertainties (continued)**

##### **Strategic and commercial risks**

###### ***Socio-political***

The diverse nature of the company's operations around the world exposes it to a wide range of political developments and consequent changes to the operating environment, regulatory environment and law

The company has operations in countries where political, economic and social transition is taking place. Some countries have experienced or may experience in the future political instability, changes to the regulatory environment, expropriation or nationalisation of property, civil strife, strikes, acts of war and insurrections. Any of these conditions occurring could disrupt or terminate the company's operations, causing its development activities to be curtailed or terminated in these areas or its production to decline, could limit the company's ability to pursue new opportunities, could affect the recoverability of its assets and could cause it to incur additional costs. In particular, the company's investments in the US, Russia, the Middle East region, Argentina and other countries could be adversely affected by heightened political and economic environment risks.

###### ***Investment efficiency***

The company's organic growth is dependent on creating a portfolio of quality options and investing in the best options. Ineffective investment selection and development could lead to loss of value and higher capital expenditure.

##### **Compliance and control risks**

###### ***Liabilities and provisions***

The BP group's potential liabilities resulting from pending and future claims, lawsuits, settlements and enforcement actions relating to the Gulf of Mexico oil spill, together with the potential cost and burdens of implementing remedies sought in the various proceedings, cannot be fully estimated at this time but they have had, and are expected to continue to have, a material adverse impact on the group's business and consequently may also impact the company's business. Further information is included within the BP group Annual Report and Form 20-F for the year ended 31 December 2012.

###### ***Reporting***

External reporting of financial and non-financial data is reliant on the integrity of systems and people. Failure to report data accurately and in compliance with external standards could result in regulatory action, legal liability and damage to the company's reputation.

##### **Financial risk management**

The main financial risks faced by the company through its normal business activities are market risk, foreign currency exchange risk and interest rate risk. The management of these financial risks is performed at BP group level. The company seeks to maintain a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity. This framework constrains the level of assessed capital at risk for the purposes of positions taken in financial instruments. Failure to accurately forecast or maintain sufficient liquidity and credit to meet these needs could impact the company's ability to operate and result in a financial loss.

## **BP GLOBAL INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

#### **Financial risk management (continued)**

##### ***Market risk***

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. This includes the possibility that changes in foreign currency exchange rates, interest rates or oil, natural gas and power prices will adversely affect the value of the company's financial assets, liabilities or expected future cash flows. The management of such risks is performed at BP group level. The group has developed a control framework aimed at managing the volatility inherent in certain of its natural business exposures. In accordance with this control framework the group enters into various transactions using derivatives for risk management purposes.

##### ***Foreign currency exchange risk***

Fluctuations in foreign exchange rates can have significant effects on the company's reported results. The company's financial assets and liabilities give rise to transactional currency exposures. Such exposures arise from transactions in a currency other than the company's functional currency. The management of such risks is performed at BP group level. The main underlying economic currency of the BP group's cash flows is the US dollar. This is because the BP group's major product, oil, is priced internationally in US dollars. The BP group's foreign exchange management policy is to minimise economic and significant transactional exposures arising from currency movements against the US dollar. The group co-ordinates the handling of foreign exchange risks centrally, by netting off naturally occurring opposite exposures wherever possible and then dealing with any material residual foreign exchange risks. For highly probable forecast capital expenditures the group locks in the US dollar cost of non US dollar supplies by using currency forwards and futures.

##### ***Interest rate risk***

The company is exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows or the fair values of its financial instruments, principally finance debt.

#### **Future developments**

The directors aim to maintain the management policies which have resulted in the company's stability in recent years. They believe that the company is in a good position to take advantage of any opportunities which may arise in the future.

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

#### **Post balance sheet events**

On 9 April 2013 the company has subscribed to 24,084,000 ordinary shares of BRL1 each in Air BP Brasil Ltda for the consideration of \$12,000,000 in cash.

On 12 August 2013 the company has increased its interest in BP Zhuhai Chemical Company Limited from 40.8% to 55.2% for the consideration of \$156,326,000 in cash.

## **BP GLOBAL INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

#### **Directors**

The present directors are listed on page 1

R C Harrington, B Gilvary and D J Bucknall served as directors throughout the financial year. Changes since 1 January 2012 are as follows

	<u>Appointed</u>	<u>Resigned</u>
B E Grote	-	1 January 2012
D Sanyal	-	1 January 2012
B Gilvary	1 January 2012	-
D J Bucknall	1 January 2012	-
J H Bartlett	27 February 2012	-

#### **Directors' indemnity**

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006

#### **Policy and practice on payment of creditors**

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company with payments made in accordance with the relevant contractual payment terms. A copy of the code of practice may be obtained from the CBI.

The number of days' purchases represented by trade creditors at the year-end was nil

#### **Auditor**

In the absence of a notice proposing that the appointment be terminated, Ernst & Young LLP will be deemed to be re-appointed as the company's auditor for the next year.

**BP GLOBAL INVESTMENTS LIMITED**

**REPORT OF THE DIRECTORS**

**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 their 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

By Order of the Board



For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

26 September 2013

Registered Office

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **BP GLOBAL INVESTMENTS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable 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). 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 accounts, 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 and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

**BP GLOBAL INVESTMENTS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BP GLOBAL INVESTMENTS LIMITED**

We have audited the financial statements of BP Global Investments Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the accounting policies and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

*Ernst & Young LLP*

William Testa (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

*26 September 2013*



## **BP GLOBAL INVESTMENTS LIMITED**

### **ACCOUNTING POLICIES**

#### **Accounting standards**

The financial statements of BP Global Investments Limited were approved for issue by the Board of Directors on 25 September 2013

These accounts are prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable UK accounting standards

#### **Accounting convention**

The accounts are prepared under the historical cost convention

#### **Statement of cash flows**

The group accounts of the ultimate parent undertaking contain a consolidated cash flow statement. The company has taken advantage of the exemption granted by the Financial Reporting Standard No 1 (Revised), whereby it is not required to publish its own cash flow statement

#### **Group accounts**

Group accounts are not submitted as the company is exempt from the obligation to prepare group accounts under Section 400 (1) of the Companies Act 2006. The results of subsidiary and associated undertakings are dealt with in the consolidated accounts of the ultimate parent undertaking, BP plc, a company registered in England and Wales. These accounts present information about the company as an individual undertaking and not about the group.

#### **Dividend income**

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

#### **Foreign currency transactions**

Functional currency is the primary economic environment in which an entity or an operation of an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Foreign currency transactions are initially recorded in the functional currency of the operation by applying the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated into the functional currency at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are included in the profit and loss account, except for those which arise on long-term foreign currency borrowings used to finance the company's non US dollar investment in foreign operations which are recorded within equity. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

## **BP GLOBAL INVESTMENTS LIMITED**

### **ACCOUNTING POLICIES**

#### **Foreign currency transactions (continued)**

Following the change of functional currency of BP International Limited from UK sterling to US dollar in 2011, a review of the functional currency used for accounting purposes was performed BP Global Investments Limited has a \$5.5 billion loan from BP International Limited

As part of the review the cash flows arising from the activities of the company were considered and as a result the functional currency has been changed to USD with effect from 1 January 2012 Prior to this date a GBP functional currency was used

The GBP balances at 1 January 2012 were converted to USD using the following foreign exchange rate 1 USD 0.6498 GBP Comparatives for 2011 have also been presented in the new presentational currency of USD The comparatives apply the average USD to GBP foreign exchange rate for 2011 of 1 USD 0.6240 GBP to the profit and loss account and the closing USD to GBP rate of 1 USD 0.6498 GBP to the balance sheet The resulting average rate to closing rate foreign exchange difference on translation is presented in the statement of total recognised gains and losses

#### **Capitalisation of finance costs and interest**

Interest costs are not capitalised and are charged in the profit and loss account in the year in which it is incurred

#### **Interest income**

Interest income is recognised on an accruals basis

#### **Dividends payable**

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

#### **Investments**

Fixed asset investments in subsidiaries and associates are held at cost The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable If any such indication of impairment exists, the company makes an estimate of its 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

## **BP GLOBAL INVESTMENTS LIMITED**

### **ACCOUNTING POLICIES**

#### **Debtors**

Debtors are carried at the original invoice amount, less allowances made for doubtful receivables. Provision is made when there is objective evidence that the company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

#### **Creditors**

Creditors are carried at payment or settlement amounts. If the effect of the time value of money is material, creditors are determined by discounting the expected future cash flows at a pre-tax rate.

#### **Use of estimates**

The preparation of accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

#### **Comparative figures**

The comparative figures for 2011 in US dollar have been presented using an average rate for the profit and loss account and the 31 December 2011 year end rate for the balance sheet. The foreign currency translation differences of \$246,266,000 resulting from the conversion of the 2011 comparative figures have been taken to the statement of total recognised gains and losses.

**BP GLOBAL INVESTMENTS LIMITED****PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

		2012	2011
	Note	\$000	Restated \$000
<b>Dividend Income</b>		1,297,919	5,362,024
Administration expenses		343,004	(88,039)
<b>Operating profit</b>	<b>1</b>	<b>1,640,923</b>	<b>5,273,985</b>
(Loss) / profit on liquidation of subsidiary undertakings	<b>3</b>	(4,721)	1,250,778
(Loss) / profit on disposal of fixed asset investments	<b>4</b>	(1,459)	364,596
Amounts provided against fixed asset investments	<b>4</b>	(662)	(613,373)
Reversal of amount provided against fixed asset investment	<b>4</b>	153,400	-
<b>Profit on ordinary activities before interest and taxation</b>		<b>1,787,481</b>	<b>6,275,986</b>
Interest payable and similar charges	<b>5</b>	(135,669)	(71,856)
Interest receivable and similar income	<b>6</b>	43,013	9,264
<b>Profit before taxation</b>		<b>1,694,825</b>	<b>6,213,394</b>
Taxation	<b>7</b>	(9,575)	(10,023)
<b>Profit for the year</b>		<b>1,685,250</b>	<b>6,203,371</b>

The profit of \$1,685,250,000 for the year ended 31 December 2012 was derived in its entirety from continuing operations

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$000	Restated \$000
<b>Profit for the year</b>	1,685,250	6,203,371
Currency translation differences	-	(246,266)
<b>Total recognised gains and losses for the year</b>	<b>1,685,250</b>	<b>5,957,105</b>

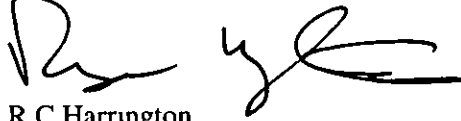
**BP GLOBAL INVESTMENTS LIMITED**

(Registered No 00263889)

**BALANCE SHEET AT 31 DECEMBER 2012**

		2012	2011
	Note	\$000	Restated \$000
<b>Fixed assets</b>			
Investments	9	16,014,634	15,397,089
<b>Current assets</b>			
Debtors	10	547,750	8,836,888
<b>Creditors: amounts falling due within one year</b>	11	(28,970)	(16,162)
<b>Net current assets</b>		518,780	8,820,726
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		16,533,414	24,217,815
<b>Creditors: amounts falling due after more than one year</b>	11	(5,500,000)	(6,375,401)
<b>NET ASSETS</b>		11,033,414	17,842,414
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Share premium account	14	298,361	298,361
Profit and loss account	14	10,735,053	17,544,053
<b>SHAREHOLDERS' FUNDS - EQUITY INTERESTS</b>		11,033,414	17,842,414

On behalf of the Board


R C Harrington  
Director

26 September 2013

**BP GLOBAL INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**1. Operating profit**

This is stated after (crediting) / charging

	2012	2011 Restated
	\$000	\$000
Currency exchange (gains) and losses	(361,383)	82,377

**2. Auditor's remuneration**

	2012	2011 Restated
	\$000	\$000
Fees for the audit of the company	40	34

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of BP Global Investments Limited's ultimate parent, BP p l c , are required to disclose non-audit fees on a consolidated basis

**3. (Loss) / profit on liquidation of subsidiary undertakings**

	2012	2011 Restated
	\$000	\$000
(Loss) / profit on liquidation of subsidiary undertakings	(4,721)	1,250,778

(Loss) / profit was made on liquidation of the company's subsidiary undertakings, where all the subsidiaries' distributable reserves was paid up to the company and the share capital of subsidiaries was cancelled, resulting in a net (loss) / profit on liquidation as disclosed above

**4. Exceptional items**

Exceptional items comprise the (loss) / profit on disposal of fixed asset investments, amounts provided against fixed asset investments and reversal of amount provided against fixed asset investment as follows

	2012	2011 Restated
	\$000	\$000
(Loss) / profit on disposal of fixed asset investments	(1,459)	364,596
Amounts provided against fixed asset investments	(662)	(613,373)
Reversal of amount provided against fixed asset investment	153,400	-
Exceptional items	(151,279)	(248,777)

**BP GLOBAL INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**4. Exceptional items (continued)**

In 2012, the reversal of amount provided against fixed asset investment is in respect of the investment in BP (Barbados) Holdings SRL

There is no tax effect on the disposal of fixed asset investments, amounts provided against fixed asset investments and reversal of amount provided against fixed asset investment

**5. Interest payable and similar charges**

	2012	2011 Restated
	<u>\$000</u>	<u>\$000</u>
Interest expense on Loans from group undertakings	<u>135,669</u>	<u>71,856</u>

**6. Interest receivable and similar income**

	2012	2011 Restated
	<u>\$000</u>	<u>\$000</u>
Interest income from group undertaking	<u>43,013</u>	<u>9,264</u>

**7. Taxation**

The Company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010. No UK corporation tax has been provided because another group company, BP International Limited, has undertaken to procure the claim or surrender of group relief to the extent it is required and to provide for any current or deferred UK tax that arises without charge.

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate on profit before taxation

	2012	2011 Restated
	<u>\$000</u>	<u>\$000</u>
Profit before taxation	1,694,825	6,213,394
Current taxation	9,575	10,023
Effective current tax rate	1%	0%

**BP GLOBAL INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**7. Taxation (continued)**

	2012	2011
	<u>%</u>	<u>Restated</u>
	<u>%</u>	<u>%</u>
UK statutory corporation tax rate	24	26
Increase / (decrease) resulting from		
Non-deductible expenditure / non-taxable income	(6)	(4)
Current overseas tax	1	-
Free group relief	1	-
Dividends not subject to UK tax	(19)	(22)
Effective current tax rate	<u>1</u>	<u>-</u>

**8. Directors and employees**

(a) Remuneration of directors

None of the directors received any fees or remuneration for services as directors of the company during the financial year (2011 \$Nil)

(b) Employee costs

The company had no employees during the year (2011 Nil)

**9. Investments**

	Subsidiary shares	Investment in associate shares	Loans to associates	Total
	\$000	\$000	\$000	\$000
<b>Cost</b>				
At 1 January 2012	22,788,589	1,046,823	6,202	23,841,614
Additions	249,397	253,107	-	502,504
Disposals	(33,906)	(3,791)	-	(37,697)
At 31 December 2012	<u>23,004,080</u>	<u>1,296,139</u>	<u>6,202</u>	<u>24,306,421</u>
<b>Impairment losses</b>				
At 1 January 2012	8,236,562	207,963	-	8,444,525
Charge for the year	-	662	-	662
Impairment reversal	(153,400)	-	-	(153,400)
At 31 December 2012	<u>8,083,162</u>	<u>208,625</u>	<u>-</u>	<u>8,291,787</u>
<b>Net book amount</b>				
At 31 December 2012	<u>14,920,918</u>	<u>1,087,514</u>	<u>6,202</u>	<u>16,014,634</u>
At 31 December 2011	<u>14,552,027</u>	<u>838,860</u>	<u>6,202</u>	<u>15,397,089</u>



**BP GLOBAL INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****9. Investments (continued)**

The investments in the subsidiary and associated undertakings are unlisted

In 2012 impairments totalling \$153,400,000 were reversed in respect of BP (Barbados) Holding SRL

The subsidiary and associated undertakings of the company at 31 December 2012 and the percentage of equity capital held set out below are the investments which principally affected the profits or net assets of the company. To avoid a statement of excessive length, details of investments which are not significant have been omitted. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

<b>Subsidiary undertakings</b>	<b>Class of share held</b>	<b>%</b>	<b>Country of incorporation</b>	<b>Principal activity</b>
BP (Barbados) Holding SRL	Ordinary	100	Barbados	Investment holdings
BP Asia Pacific Holdings Limited	Ordinary	100	England & Wales	Investment holdings
BP Australia Investments Pty Limited	Ordinary	100	Australia	Investment holdings
BP Chemicals East China Investments Limited	Ordinary	100	England & Wales	Investment holdings
BP Continental Holdings Limited	Ordinary	100	England & Wales	Investment holdings
BP Espana, SA, Unipersonal	Ordinary	100	Spain	Refining & marketing
BP Europa SE	Ordinary	99.9	Germany	Investment holdings
BP France	Ordinary	95	France	Refining & marketing
BP Portugal – Comercio de combustiveis e Lubrificantes SA	Ordinary	99.9	Portugal	Refining & marketing
BTC Pipeline Holding Company Limited	Ordinary	100	England & Wales	Investment holdings
Cadman DBP Limited	Ordinary	100	England & Wales	Investment holdings
<b>Associated undertakings</b>	<b>Class of share held</b>	<b>%</b>	<b>Country of incorporation</b>	<b>Principal activity</b>
BP Norge AS	Ordinary	48	Norway	Petrochemicals
BP PetroChina Petroleum Co., Ltd	Ordinary	49	China	Petrochemicals
United Gas Derivatives Company	Ordinary	33	Egypt	Gas & power

**BP GLOBAL INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**10. Debtors**

	2012	2011 Restated
	Within 1 year \$000	Within 1 year \$000
Amounts owed by group undertakings	504,296	8,805,811
Other debtors	43,454	31,077
	<u>547,750</u>	<u>8,836,888</u>

**11. Creditors**

	2012	2012	2011 Restated	2011 Restated
	Within 1 year \$000	After 1 year \$000	Within 1 year \$000	After 1 year \$000
Amounts owed to group undertakings (see note 12)	12,999	5,500,000	11,115	6,375,401
Other creditors	15,939	-	5,047	-
Accruals and deferred income	32	-	-	-
	<u>28,970</u>	<u>5,500,000</u>	<u>16,162</u>	<u>6,375,401</u>

**12. Loans**

Loans repayable, included within creditors, are analysed as follows

	2012	2012	2011 Restated	2011 Restated
	Within 5 years \$000	After 5 years \$000	Within 5 years \$000	After 5 years \$000
Wholly repayable	5,500,000	-	5,500,000	875,401

The existing loan note will expire on 20 December 2016

**13. Called up share capital**

	2012	2011 Restated
	\$000	\$000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each for a total nominal value of £2	<u>-</u>	<u>-</u>

**BP GLOBAL INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****14. Capital and reserves**

	Called up share capital	Share premium account	Profit and loss account	Total
	\$000	\$000	\$000	\$000
At 1 January 2012	-	298,361	17,544,053	17,842,414
Profit for the year	-	-	1,685,250	1,685,250
Dividends – current year interim paid	-	-	(8,494,250)	(8,494,250)
At 31 December 2012	-	298,361	10,735,053	11,033,414

In 2012 the company has paid interim ordinary dividends of \$8,494,250,000 (2011 \$6,236,839,000)

**15. Reconciliation of movements in shareholders' funds**

	2012	2011 Restated
	\$000	\$000
Profit for the year	1,685,250	6,203,371
Currency translation differences	-	(246,266)
Dividends – current year interim paid	(8,494,250)	(6,236,839)
Net decrease in shareholders' funds	(6,809,000)	(279,734)
Shareholders' funds at 1 January	17,842,414	18,122,148
Shareholders' funds at 31 December	11,033,414	17,842,414

**16. Related party transactions**

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 "Related Party Disclosures", and has not disclosed transactions entered into with group companies

**BP GLOBAL INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****16. Related party transactions (continued)**

During the year the company entered into transaction, in the ordinary course of business, with other related parties. Transactions entered into at 31 December, are as follows

Related party	Relationship	Description	Dividend income from related party <u>\$000</u>
Abu Dhabi Gas Liquefaction Co Ltd	Associate	Gas & power	
2012			126,603
2011			101,790
BP Norge AS	Associate	Petrochemicals	
2012			83,409
2011			65,247
United Gas Derivatives Company	Associate	Gas & power	
2012			77,513
2011			60,785
Bahia de Bizkaia Electricidad, S L	Associate	Gas & power	
2012			48,004
2011			32,859

**17. Post balance sheet events**

On 9 April 2013 the company has subscribed to 24,084,000 ordinary shares of BRL1 each in Air BP Brasil Ltda for the consideration of \$12,000,000 in cash

On 12 August 2013 the company has increased its interest in BP Zhuhai Chemical Company Limited from 40.8% to 55.2% for the consideration of \$156,326,000 in cash

**18. Pensions**

The company does not directly employ any staff and therefore does not directly bear any pension charge

**19. Immediate and ultimate controlling parent undertaking**

The immediate and ultimate controlling parent undertaking is BP plc, 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 plc can be obtained from 1 St James's Square, London, SW1Y 4PD