

BP BIOFUELS UK LIMITED**(Registered No 05998019)****ANNUAL REPORT AND ACCOUNTS 2012**

Board of Directors D Emery
 R C Harrington
 P G New

REPORT OF THE DIRECTORS

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

Results and dividends

The loss for the year after taxation was £26,015,000 which, when added to the retained deficit brought forward at 1 January 2012 of £133,769,000 gives a total retained deficit carried forward at 31 December 2012 of £159,784,000

The company has not declared any dividends during the year (2011 £Nil). The directors do not propose the payment of a dividend

Principal activity and review of the business

The company is the holding company for the joint ventures in Vivergo Fuels Limited and Kingston Research Limited. The company also holds a 50% share in Tropical BioEnergia S A which is a subsidiary of the BP Group

The Company holds the costs for the business development activities of the biofuels business

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

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
	£000	£000	%
Operating loss	(29,564)	(39,454)	25
Loss after taxation	(26,015)	(37,145)	30
Shareholders' funds	15,216	41,231	(63)
	<u>2012</u>	<u>2011</u>	<u>Variance</u>
	%	%	
Quick ratio*	8.0	1.4	6.6

*Quick ratio is defined as current assets, excluding stock and debtors receivable after one year, as a percentage of current liabilities

The company continues to invest in business development activities in the biofuels field and production commenced at the Vivergo plant in Hull during 2012. Overall the company invested over £21m in 2012



BP BIOFUELS UK 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: compliance and control, safety and operational, 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 Biofuels UK 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 BIOFUELS UK LIMITED

REPORT OF THE DIRECTORS

Principal risks and uncertainties (continued)

Compliance and control risks

Regulatory

Due to the Gulf of Mexico oil spill, it is likely that there will be more stringent regulation of the BP group's oil and gas activities in the US and elsewhere, particularly relating to environmental, health and safety controls and oversight of drilling operations, as well as access to new drilling areas

Regulatory or legislative action may impact the industry as a whole and could be directed specifically towards the BP group. New regulations and legislation, the terms of the BP group's settlements with US government authorities and future settlements or litigation outcomes related to the Incident, and/or evolving practices could increase the cost of compliance and may require changes to the company's drilling operations, exploration, development and decommissioning plans and could impact the company's ability to capitalise on its assets and limit its access to new exploration properties or operatorships. In addition, increases in taxes, royalties and other amounts payable to governments or governmental agencies, or restrictions on availability of tax relief, could also be imposed as a response to the Incident.

In addition, the oil industry in general is subject to regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling obligations, environmental, health and safety controls, controls over the development and decommissioning of a field (including restrictions on production) and, possibly, nationalisation, expropriation, cancellation or non-renewal of contract rights.

Failure to respond to changes in trading regulations could result in regulatory action and damage to the company's reputation. The oil industry is also subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities, and operates in certain tax jurisdictions that have a degree of uncertainty relating to the interpretation of, and changes to, tax law. As a result of new laws and regulations or other factors, the company could be required to curtail or cease certain operations, or could incur additional costs.

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.

BP BIOFUELS UK LIMITED

REPORT OF THE DIRECTORS

Principal risks and uncertainties (continued)

Safety and operational risks

Major project delivery

Successful execution of the company's plan depends critically on implementing the activities to deliver the major projects over the plan period. Poor delivery of any major project that underpins production or production growth, including maintenance turnaround programmes, and/or a major programme designed to enhance shareholder value could adversely affect the company's financial performance. Successful project delivery requires, among other things, adequate engineering and other capabilities and therefore successful recruitment and development of staff is central to the company's plans.

Joint ventures and other contractual arrangements

Many of the company's major projects and operations are conducted through joint ventures or associates and through contracting and sub-contracting arrangements. These arrangements often involve complex risk allocation, decision-making process and indemnification arrangements. In certain cases, the company may have less control of such activities than it would have if the company had full operational control.

Additionally, the company's joint venture partners or associates or contractual counterparties are primarily responsible for the adequacy of the human or technical competencies and capabilities which they bring to bear on the joint project, and in the event these are found to be lacking the company's joint venture partners or associates may not be able to meet their financial or other obligations to their counterparties or to the relevant project, potentially threatening the viability of such projects. Furthermore, should accidents or incidents occur in operations in which the company participates, whether as operator or otherwise, and where it is held that the company's sub-contractors or joint venture partners are legally liable to share any aspects of the cost of responding to such incidents, the financial capacity of these third parties may prove inadequate to fully indemnify the company against the costs it incurs on behalf of the joint venture or contractual arrangement. Should a key sub-contractor, such as a lessor of drilling rigs, be no longer able to make these assets available to the company, this could result in serious disruption to its operations. Where the company does not have operational control of a venture, the company may nonetheless still be pursued by regulators or claimants in the event of an incident.

Financial risk management

The main financial risk faced by the company through its normal business activities is foreign currency exchange risk. The management of this financial risk 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.

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.

BP BIOFUELS UK LIMITED

REPORT OF THE DIRECTORS

Principal risks and uncertainties (continued)

Financial risk management (continued)

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.

Crude oil prices are generally set in US dollars, while sales of refined products may be in a variety of currencies. Fluctuations in exchange rates can therefore give rise to foreign exchange exposures, with a consequent impact on underlying costs and revenues.

Research and development

Research and development costs are incurred in relation to the development and production of advanced biofuels

Going concern

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 the foreseeable future

Post balance sheet events

After the balance sheet date, 123,480,868 ordinary shares of £1 each for a total nominal value of £123,480,868 were allotted to the immediate parent company at par value

After the balance sheet date the company made equity investments totalling £123,165,614 in Tropical Bio Energia S A.

Directors

The present directors are listed on page 1.

There have been no director appointments or resignations since 1 January 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 BIOFUELS UK 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

17 ~~SEPTEMBER~~ 2013

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP BIOFUELS UK 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 BIOFUELS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BP BIOFUELS UK LIMITED

We have audited the financial statements of BP Biofuels UK 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 17. 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 loss 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
17 September 2013

BP BIOFUELS UK LIMITED

ACCOUNTING POLICIES

Accounting standards

The financial statements of BP Biofuels UK Limited were approved for issue by the Board of Directors on 13 ~~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.

Basis of preparation

At 31 December 2012 the company's balance sheet had net current liabilities amounting to £228,924,000 and net assets of £15,216,000

The directors consider it appropriate to prepare the accounts on a going concern basis

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

Foreign currency transactions

Foreign currency transactions are initially recorded in sterling by applying the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are included in the profit and loss account

Research

Expenditure on research is written off in the year in which it is incurred

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

BP BIOFUELS UK LIMITED

ACCOUNTING POLICIES

Interest income

Interest income is recognised on an accruals basis.

Tangible fixed assets

Tangible fixed assets 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 operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing 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. The capitalised value of a finance lease is also included within tangible fixed assets.

Other tangible assets, with the exception of freehold land and assets under construction, are depreciated on the straight line method over their estimated useful lives

Investments

Fixed asset investments in subsidiaries and joint ventures 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.

All other fixed asset investments are stated in the accounts at cost less provisions for permanent diminution in value.

Trade and other debtors

Trade and other 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.

Trade and other creditors

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

BP BIOFUELS UK LIMITED

ACCOUNTING POLICIES

Leases

Assets held under leases which transfer to the company substantially all risks and rewards incidental to ownership of the leased item are classified as finance leases, and are capitalised at inception of the lease at the fair value of the leased property or, if significantly lower, at the estimated present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the lease liability. The total finance charge is charged over the lease term so as to achieve a constant rate of interest on the remaining balance of the liability.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

All other lease arrangements are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

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.

BP BIOFUELS UK LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	<u>2012</u> £000	<u>2011</u> £000
Administration expenses		(29,564)	(39,454)
Loss on ordinary activities before interest and taxation	1	(29,564)	(39,454)
Interest payable and similar charges	3	(1,654)	(1,741)
Interest receivable and similar income	4	5,203	4,050
Loss before taxation		<u>(26,015)</u>	<u>(37,145)</u>
Taxation	5	-	-
Loss for the year		<u>(26,015)</u>	<u>(37,145)</u>

The loss of £26,015,000 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

There are no recognised gains or losses attributable to the shareholders of the company other than the loss for the year.

BP BIOFUELS UK LIMITED
(Registered No 05998019)

BALANCE SHEET AT 31 DECEMBER 2012

	Note	<u>2012</u> £000	<u>2011</u> £000
Fixed assets			
Tangible assets	7	5,360	5,688
Investments	8	<u>238,780</u>	<u>217,039</u>
		244,140	222,727
Current assets			
Debtors	9	<u>19,881</u>	<u>2,548</u>
Creditors: amounts falling due within one year	10	<u>(248,805)</u>	<u>(184,044)</u>
Net current liabilities		<u>(228,924)</u>	<u>(181,496)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,216</u>	<u>41,231</u>
NET ASSETS		<u>15,216</u>	<u>41,231</u>
Represented by			
Capital and reserves			
Called up share capital	11	175,000	175,000
Profit and loss account	12	<u>(159,784)</u>	<u>(133,769)</u>
SHAREHOLDERS' FUNDS –			
EQUITY INTERESTS		<u>15,216</u>	<u>41,231</u>

On behalf of the Board


D Emery
Director

17 September 2013

BP BIOFUELS UK LIMITED**NOTES TO THE ACCOUNTS****1. Loss on ordinary activities before interest and taxation**

This is stated after charging

	<u>2012</u>	<u>2011</u>
	£000	£000
Currency exchange losses	96	176
Expenditure on research	2,764	3,130
Depreciation of owned fixed assets	13	14
Depreciation of assets held under finance leases	<u>315</u>	<u>315</u>

2. Auditor's remuneration

	<u>2012</u>	<u>2011</u>
	£000	£000
Fees for the audit of the company	<u>15</u>	<u>14</u>

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 Biofuels UK Limited's ultimate parent, BP plc, are required to disclose non-audit fees on a consolidated basis

3. Interest payable and similar charges

	<u>2012</u>	<u>2011</u>
	£000	£000
Interest expense on Loans from group undertakings	<u>1,654</u>	<u>1,741</u>

4. Interest receivable and similar income

	<u>2012</u>	<u>2011</u>
	£000	£000
Interest income from joint ventures	<u>5,203</u>	<u>4,050</u>

BP BIOFUELS UK LIMITED

NOTES TO THE ACCOUNTS

5. 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.

	<u>2012</u>	<u>2011</u>
	£000	£000
Loss before taxation	(26,015)	(37,145)
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2012</u>	<u>2011</u>
	%	%
UK statutory corporation tax rate	24	26
Decrease resulting from		
Non-deductible expenditure / non-taxable income	-	-
Free group relief	(23)	(25)
Transfer pricing adjustment	(1)	(1)
Effective current tax rate	<u>-</u>	<u>-</u>

6. 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).

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

BP BIOFUELS UK LIMITED

NOTES TO THE ACCOUNTS

7. Tangible assets

	<u>Plant & machinery</u>
Cost	<u>£000</u>
At 1 January 2012 / at 31 December 2012	<u>6,360</u>
Depreciation and impairment	
At 1 January 2012	672
Charge for the year	<u>328</u>
At 31 December 2012	<u>1,000</u>
Net book value	
At 31 December 2012	<u>5,360</u>
At 31 December 2011	<u>5,688</u>
Principal rate of depreciation	5%

Assets held under finance leases and capitalised interest included above, are:

	<u>Cost</u>	<u>Depreciation</u>	<u>Net book value</u>
Leased assets	<u>£000</u>	<u>£000</u>	<u>£000</u>
At 31 December 2012	6,306	946	5,360
At 31 December 2011	6,306	631	5,675

8. Investments

	<u>Investment in associate shares</u>	<u>Loans to joint ventures</u>	<u>Joint venture shares</u>	<u>Other investments</u>	<u>Total</u>
Cost	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
At 1 January 2012	32,017	143,009	40,735	1,278	217,039
Additions	9,333	9,582	2,826	-	21,741
Transfers	-	(4,005)	4,005	-	-
At 31 December 2012	<u>41,350</u>	<u>148,586</u>	<u>47,566</u>	<u>1,278</u>	<u>238,780</u>
Net book amount					
At 31 December 2012	<u>41,350</u>	<u>148,586</u>	<u>47,566</u>	<u>1,278</u>	<u>238,780</u>
At 31 December 2011	<u>32,017</u>	<u>143,009</u>	<u>40,735</u>	<u>1,278</u>	<u>217,039</u>

BP BIOFUELS UK LIMITED**NOTES TO THE ACCOUNTS****8. Investments (continued)**

The investments in the associate and joint ventures are unlisted

The associated undertaking and joint ventures of the company at 31 December 2012 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.

Associated undertakings	Class of share held	%	Country of incorporation	Issued share capital	Principal activity
Tropical Bio Energia S A	Ordinary	50	Brazil	BRL 305,608,312	Biofuels
Joint ventures	Class of share held	%	Principal place of business		Principal activities
Vivergo Fuels Limited	Ordinary	46	UK		Biofuels
Kingston Research Limited	Ordinary	50	UK		Biobutanol

9. Debtors

	<u>2012</u>	<u>2011</u>
	Within 1 year £000	Within 1 year £000
Trade debtors	91	3
Amounts owed by group undertakings	15,913	513
Amounts owed by joint ventures	3,748	1,849
Other debtors	129	183
	<u>19,881</u>	<u>2,548</u>

BP BIOFUELS UK LIMITED**NOTES TO THE ACCOUNTS****10. Creditors**

	<u>2012</u>	<u>2011</u>
	Within	Within
	1 year	1 year
	£000	£000
Trade creditors	212	317
Amounts owed to group undertakings	248,142	182,698
Other creditors	34	58
Accruals and deferred income	<u>417</u>	<u>971</u>
	<u>248,805</u>	<u>184,044</u>

11. Called up share capital

	<u>2012</u>	<u>2011</u>
	£000	£000
Allotted, called up and fully paid		
175,000,001 Ordinary shares of £1 each for a total nominal value of £175,000,001	<u>175,000</u>	<u>175,000</u>

12. Capital and reserves

	Called up share capital	Profit and loss account	Total
	£000	£000	£000
At 1 January 2012	175,000	(133,769)	41,231
Loss for the year	-	(26,015)	(26,015)
At 31 December 2012	<u>175,000</u>	<u>(159,784)</u>	<u>15,216</u>

13. Reconciliation of movements in shareholders' funds

	<u>2012</u>	<u>2011</u>
	£000	£000
Loss for the year	(26,015)	(37,145)
Issue of ordinary share capital	-	45,000
Net (decrease) / increase in shareholders' funds	<u>(26,015)</u>	<u>7,855</u>
Shareholders' funds at 1 January	41,231	33,376
Shareholders' funds at 31 December	<u>15,216</u>	<u>41,231</u>

BP BIOFUELS UK LIMITED**NOTES TO THE ACCOUNTS****14. 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

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

Related party	Relationship	Description	Costs recharged to related party	Loans to related party	Amounts owed from related party
			£000	£000	£000
Vivergo Fuels Limited	Joint Venture	Biofuels			
2012			1,905	12,959	3,557
2011			1,653	23,351	1,653
Kingston Research Limited	Joint venture	Biobutanol			
2012			326	-	191
2011			385	-	196

15 Post balance sheet events

After the balance sheet date, 123,480,868 ordinary shares of £1 each for a total nominal value of £123,480,868 were allotted to the immediate parent company at par value

After the balance sheet date the company made equity investments totalling £123,165,614 in Tropical Bio Energia S A

16. Pensions

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

17. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP International Limited, a company registered in England and Wales. The 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