

**BP MOCAMBIQUE LIMITED**  
**(Registered No 00240425)**

**ANNUAL REPORT AND ACCOUNTS 2012**

Board of Directors      B M Puffer

**REPORT OF THE DIRECTOR**

The director presents their report and accounts for the year ended 31 December 2012.

**Results and dividends**

The loss for the year after taxation was £1,215,000 which, when deducted from the retained profit brought forward at 1 January 2012 of £25,402,000 gives a total retained profit carried forward at 31 December 2012 of £24,187,000

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

**Principal activity and review of the business**

The company was engaged in the storage and handling of petroleum products and stopped trading in 2006

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

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
	£000	£000	%
Loss after taxation	(1,215)	(9)	134
Shareholders' funds	24,937	26,152	(5)

The loss for the year mainly relates to currency losses, which fluctuate from year to year (see note 1)

**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 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)



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**Principal risks and uncertainties (continued)**

**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 Mocambique 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 paid 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.

**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.

**BP MOCAMBIQUE LIMITED**

**(Registered No 00240425)**

**Principal risks and uncertainties (continued)**

**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. 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.

**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.

**Directors**

The present director is listed on page 1.

B M Puffer served as a director throughout the financial year. Changes since 1 January 2012 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
S S Mbelle	-	31 Aug 2012

**Director's indemnity**

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

**BP MOCAMBIQUE LIMITED**  
**(Registered No 00240425)**

**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

**Director's statement as to the disclosure of information to the auditor**

The director who was a member of the board at the time of approving the director's report is listed on page 1. Having made enquiries of the company's auditor, the director confirms that

- To the best of the 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
- The 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

29 April 2013

Registered Office

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **BP MOCAMBIQUE LIMITED**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 director is 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 director is 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 director confirms 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 MOCAMBIQUE LIMITED**

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

We have audited the financial statements of BP Mocambique 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 12. 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 director and auditor**

As explained more fully in the Statement of Director's Responsibilities set out on page 5, the director is 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 director, 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 Director's 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

*60 April*

2013

## **BP MOCAMBIQUE LIMITED**

### **ACCOUNTING POLICIES**

#### **Accounting standards**

The financial statements of BP Mocambique Limited were approved for issue by the Board of Directors on *24 April* 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

#### **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

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

	Note	<u>2012</u> £000	<u>2011</u> £000
Administration expenses		(1,215)	(9)
<b>Loss on ordinary activities before taxation</b>	<b>1</b>	<u>(1,215)</u>	<u>(9)</u>
<b>Loss before taxation</b>		<u>(1,215)</u>	<u>(9)</u>
Taxation	<b>3</b>	-	-
<b>Loss for the year</b>		<u>(1,215)</u>	<u>(9)</u>

The loss of \$1,215,000 for the year ended 31 December 2012 has derived in its entirety from continuing operations

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

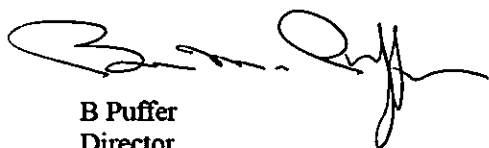
There are no recognised gains or losses attributable to the shareholders of the company other than the loss for the year



**BP MOCAMBIQUE LIMITED****(Registered No 00240425)****BALANCE SHEET AT 31 DECEMBER 2012**

	Note	<u>2012</u> £000	<u>2011</u> £000
<b>Current assets</b>			
Debtors	5	28,190	29,604
Creditors: amounts falling due within one year	6	<u>(3,253)</u>	<u>(3,452)</u>
<b>Net current assets</b>		<u>24,937</u>	<u>26,152</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>24,937</u>	<u>26,152</u>
<b>NET ASSETS</b>		<u>24,937</u>	<u>26,152</u>
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	7	750	750
Profit and loss account	8	24,187	25,402
<b>SHAREHOLDERS' FUNDS – EQUITY INTERESTS</b>		<u>24,937</u>	<u>26,152</u>

On behalf of the Board

B Puffer  
Director

29 April 2013

**BP MOCAMBIQUE 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	<u>1,248</u>	<u>-</u>

**2. Auditor's remuneration**

	<u>2012</u>	<u>2011</u>
	£000	£000
Fees for the audit of the company	<u>9</u>	<u>9</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 Mocambique Limited's ultimate parent, BP plc, are required to disclose non-audit fees on a consolidated basis

**3. 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 loss before taxation

	<u>2012</u>	<u>2011</u>
	£000	£000
Loss before taxation	(1,215)	(9)
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2012</u>	<u>2011</u>
	%	%
UK statutory corporation tax rate	24	26
Increase / (decrease) resulting from:		
Free group relief	(15)	1,265
Transfer pricing adjustment	(9)	(1,291)
Effective current tax rate	<u>-</u>	<u>-</u>

**BP MOCAMBIQUE LIMITED**

**NOTES TO THE ACCOUNTS**

**4. 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.

**(b) Employee costs**

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

**5. Debtors**

	<u>2012</u>	<u>2011</u>
	Within	Within
	1 year	1 year
	£000	£000
Amounts owed by group undertakings	28,190	29,604
	<u>28,190</u>	<u>29,604</u>

**6. Creditors**

	<u>2012</u>	<u>2011</u>
	Within	Within
	1 year	1 year
	£000	£000
Amounts owed to group undertakings	3,253	3,452
	<u>3,253</u>	<u>3,452</u>

**7. Called up share capital**

	<u>2012</u>	<u>2011</u>
	£000	£000
Allotted, called up and fully paid		
750,000 Ordinary shares of £1 each for a total nominal value of £750,000	750	750
	<u>750</u>	<u>750</u>

**BP MOCAMBIQUE LIMITED**

**NOTES TO THE ACCOUNTS**

**8 Capital and reserves**

	Called up share capital	Profit and loss account	Total
	£000	£000	£000
At 1 January 2012	750	25,402	26,152
Loss for the year	-	(1,215)	(1,215)
At 31 December 2012	750	24,187	24,937

**9 Reconciliation of movements in shareholders' funds**

	2012	2011
	£000	£000
Loss for the year	(1,215)	(9)
Net decrease in shareholders' funds	(1,215)	(9)
Shareholders' funds at 1 January	26,152	26,161
Shareholders' funds at 31 December	24,937	26,152

**10 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. There were no other related party transactions in the year.

**11 Pensions**

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

**12 Immediate and ultimate controlling parent undertaking**

The immediate parent undertaking is BP Africa 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.