CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

(Registered No 04015401)

ANNUAL REPORT AND ACCOUNTS 2012

Board of Directors J W Halliday

REPORT OF THE DIRECTOR

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

Results and dividends

The profit for the year after taxation was $5,226,000 which, when added to the retained profit brought forward at 1 January 2012 of $28,483,000, gives a total retained profit carried forward at 31 December 2012 of $33,709,000

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 is engaged in the provision of telecommunications services mainly to the United Kingdom continental shelf

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

	2012	2011	Variance
	$000	$000	%
Turnover	14,976	15,061	(0 6)
Operating profit	5,224	6,775	(22 9)
Profit after taxation	5,226	6,775	(22 9)
Shareholders' funds	39,475	34,249	15 3

Underlying turnover has increased marginally due to inflation However, overall turnover has decreased as the total revenue recognised in 2011 included $1 6 million which related to 2009 and 2010 activity whereas 2012 turnover includes $0 6 million relating to 2009, 2010 and 2011 activity Operating profit has not increased in line with like-for-like turnover due to the intercompany lease costs which increased by $1 3 million, $0 3 million of which is associated with the historic revenues recognised in 2012 and a further $0 7 million relates to other historic corrections

	2012	2011	Variance
	%	%	
Quick ratio*	950 3	1,211 7	(261 4)

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

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CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

REPORT OF THE DIRECTOR

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, 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 Central North Sea Fibre Telecommunications Company 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

CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

REPORT OF THE DIRECTOR

Strategic and commercial risks

Prices and markets
Oil gas and product prices are subject to international supply and demand Political developments and the outcome of meetings of OPEC can particularly affect world supply and oil prices Previous oil price increases have resulted in increased fiscal take, cost inflation and more onerous terms for access to resources As a result, increased oil prices may not improve margin performance In addition to the adverse effect on revenues, margins and profitability from any fall in oil and natural gas prices a prolonged period of low prices or other indicators would lead to further reviews for impairment of the company's oil and natural gas properties

Prices and markets (continued)
Such reviews would reflect management's view of long-term oil and natural gas prices and could result in a charge for impairment that could have a significant effect on the company's results of operations in the period in which it occurs Rapid material or sustained change in oil, gas and product prices can impact the validity of the assumptions on which strategic decisions are based and, as a result, the ensuing actions derived from those decisions may no longer be appropriate

Digital infrastructure
The reliability and security of the company's digital infrastructure are critical to maintaining the availability of its business applications, including the reliable operation of technology in its various business operations and the collection and processing of financial and operational data, as well as the confidentiality of certain third-party information A breach of the company's digital security, either due to intentional actions or due to negligence, could cause serious damage to business operations and, in some circumstances, could result in the loss of data or sensitive information, injury to people, damage to assets, harm to the environment, reputational damage, breaches of regulations, litigation, legal liabilities and reparation costs

Business continuity and disaster recovery
Contingency plans are required to continue or recover operations following a disruption or incident Inability to restore or replace critical capacity to an agreed level within an agreed timeframe would prolong the impact of any disruption and could severely affect business and operations

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

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Compliance and control risks (continued)

Changes in external factors

The company remains exposed to changes in the external environment, such as new laws and regulations (whether imposed by international treaty or by national or local governments in the jurisdictions in which the company operates), changes in tax or royalty regimes, price controls, government actions to cancel or renegotiate contracts, market volatility or other factors Such factors could reduce the company's profitability from operations in certain jurisdictions, limit its opportunities for new access, require it to divest or write-down certain assets or affect the adequacy of its provisions for pensions, tax, environmental and legal liabilities Potential changes to pension or financial market regulation could also impact funding requirements of the company

Safety and operational risks

Process safety, personal safety and environmental risks

The nature of the company's operations exposes it to a wide range of significant health, safety, security and environmental risks The scope of these risks is influenced by the geographic range, operational diversity and technical complexity of the company's activities In addition, in many of the company's major projects and operations, risk allocation and management is shared with third parties, such as contractors, sub-contractors and associates

There are risks of technical integrity failure as well as risks of natural disasters and other adverse conditions in many of the areas in which the company operates, which could lead to loss of containment of hydrocarbons and other hazardous material, as well as the risk of fires, explosions or other incidents

The company's operations are often conducted in difficult or environmentally sensitive locations, in which the consequences of a spill, explosion, fire or other incident could be greater than in other locations These operations are subject to various environmental laws, regulations and permits and the consequences of failure to comply with these requirements can include remediation obligations, penalties, loss of operating permits and other sanctions Accordingly, inherent in the company's operations is the risk that if it fails to abide by environmental and safety and protection standards, such failure could lead to damage to the environment and could result in regulatory action, legal liability, material costs and damage to the company's reputation or licence to operate

BP s group-wide operating management system (OMS) intends to address health, safety, security, environmental and operations risks, and to provide a consistent framework within which the group can analyse the performance of its activities and identify and remediate shortfalls There can be no assurance that OMS will adequately identify all process safety, personal safety and environmental risk or provide the correct mitigations, or that all operations will be in conformance with OMS at all times

Financial risk management

The main financial risks faced by the company through its normal business activities, as well as its use of financial instruments, are market risk, commodity price risk, foreign currency exchange risk, interest rate risk, credit risk and liquidity 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

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Financial risk management (continued)

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

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth 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

Directors

The present director is listed on page 1

J W Halliday served as director throughout the financial year Changes since 1 January 2012 are as follows

	Appointed	Resigned
J C Skipper	-	14 December 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

There were no trade creditors at year end

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

CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

REPORT OF THE DIRECTOR

Directors' statement as to the disclosure of information to the auditor

The directors who were a member of the board at the time of approving the director's 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

01 - July - 2013

Registered Office
Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY 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 proper 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 accounts 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

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CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

We have audited the financial statements of Central North Sea Fibre Telecommunications Company 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 18 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 auditors' 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 auditors
As explained more fully in the Statement of Directors' Responsibilities set 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 Practice 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 the 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 matters 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
Moira Ann Lawrence (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Aberdeen
4 JULY 2013

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CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

ACCOUNTING POLICIES

Accounting standards

The financial statements of Central North Sea Fibre Telecommunications Company Limited were approved for issue by the Board of Directors on 01 - JULY - 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

Revenue recognition

Revenue arising from the sale of services is recognised when the significant risks and rewards have passed to the buyer and it can be reliably measured Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, customs duties and sales taxes

Foreign currency transactions

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

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

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

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CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

ACCOUNTING POLICIES

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

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

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CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 $000	2011 $000
Turnover	1	14,976	15,061
Cost of sales		(9,681)	(8,186)
Gross Profit		5,295	6,875
Administration Expenses		(71)	(100)
Operating profit	2	5,224	6,775
Interest receivable and similar income	4	2	-
Profit before taxation		5,226	6,775
Taxation	5	-	-
Profit for the year	12	5,226	6,775

The profit of $5,226,000 for the year ended 31 December 2012 has been 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 profit of $5,226,000 for the year ended 31 December 2012 (2011 profit of $6,775,000)

CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

(Registered No 04015401)

BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 $000	2011 $000
Fixed assets			
Tangible assets	**7**	6,679	7,200
Current assets			
Debtors	**8**	36,653	29,482
Creditors: amounts falling due within one year	**9**	(3,857)	(2,433)
Net current assets		32,796	27,049
TOTAL ASSETS LESS CURRENT LIABILITIES		39,475	34,249
NET ASSETS		39,475	34,249
Represented by			
Capital and reserves			
Called up share capital	**11**	5,766	5,766
Profit and loss account	**12**	33,709	28,483
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		39,475	34,249

On behalf of the Board

J W Halliday
Director
01-JULY - 2013

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CENTRAL NORTH SEA FIBRE TELECOMMUNICATIONS COMPANY LIMITED

NOTES TO THE ACCOUNTS

1. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and group companies

The country of origin and destination is substantially the UK geographic area

Turnover is attributable to one continuing activity, the provision of telecommunication services Of the total revenue recognised in 2012, $579,000 relates to 2009, 2010 & 2011 activity The turnover in 2011 included $1,625,000 which related to 2009 and 2010 activity

2. Operating profit

This is stated after charging/crediting

	2012	2011
	$000	$000
Hire charges under operating leases		
Plant and machinery	5,926	4,585
Currency exchange (gains) and losses	(200)	722
Depreciation of owned fixed assets	452	453

The lease costs increased by $1 3 million, $0 3 million of which is associated with the historic revenues recognised in 2012 and a further $0 7 million relates to other historic corrections

3. Auditor's remuneration

	2012	2011
	$000	$000
Fees for the audit of the company	5	5

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 Central North Sea Fibre Telecommunications Company Limited's ultimate parent, BP p l c , are required to disclose non-audit fees on a consolidated basis

The fees were borne by another group company

4. Interest receivable and similar income

	2012	2011
	$000	$000
Interest income from group undertakings	2	-

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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 UK deferred 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
	$000	$000
Profit before taxation	5,226	6,775
Current taxation	-	-
Effective current tax rate	0%	0%

	2012	2011
	%	%
UK statutory corporation tax rate	24	26
Increase/(decrease) resulting from		
Fixed asset timing differences	-	1
Free group relief	(25)	(28)
Transfer pricing adjustments	1	1
Total current tax	-	-

6. Directors and employees

(a) Remuneration of directors

J W Halliday is a director of BP Exploration Operating Company Limited in whose accounts information required by the Companies Act 2006 as regards to emoluments is given J C Skipper was a senior executive of the BP Plc Group and received no remuneration for services to this company

(b) Employee costs

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

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7. Tangible assets

	Plant and machinery
	$000
Cost	
At 1 January 2012	11,712
Additions	(69)
At 31 December 2012	11,643
Depreciation	
At 1 January 2012	4,512
Charge for the year	452
At 31 December 2012	4,964
Net book value	
At 31 December 2012	6,679
At 31 December 2011	7,200

2011 capital expenditure was over accrued by $69,000 This has been adjusted through 2012 additions

8. Debtors

	2012	2011
	Within 1 year	Within 1 year
	$000	$000
Trade debtors	306	270
Amounts owed by group undertakings	34,555	28,174
Other debtors	454	277
Prepayments and accrued income	1338	761
	36,653	29,482

9. Creditors

	2012	2011
	Within 1 year	Within 1 year
	$000	$000
Other creditors	13	1,422
Accruals and deferred income	646	1,011
Amount owed to group undertakings	3,198	-
	3,857	2,433

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10 Obligations under leases

Annual commitments under non-cancellable operating leases are set out below

	2012	2011
	Plant & Machinery	Plant & Machinery
	$000	$000
Operating leases which expire		
After 5 years	6,862	6,396

11. Called up share capital

	2012	2011
	$000	$000
Allotted, called up and fully paid		
3,001,000 Ordinary shares at £1 each for a total nominal value of £3,001,000	5,766	5,766

12. Capital and reserves

	Called up share capital	Profit and loss account	Total
	$000	$000	$000
At 1 January 2012	5,766	28,483	34,249
Profit for the year	-	5,226	5,226
At 31 December 2012	5,766	33,709	39,475

13. Reconciliation of movements in shareholders' funds

	2012	2011
	$000	$000
Profit for the year	5,226	6,775
Shareholders' funds at 1 January	34,249	27,474
Shareholders' funds at 31 December	39,475	34,249

14. Contingent liabilities

There were contingent liabilities at 31 December 2012 in respect of guarantees and indemnities entered into as part of the ordinary course of the company's business No material losses are likely to arise from such contingent liabilities

15. 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 100% group companies There were no other related party transactions in the year

16. Off-balance sheet arrangements

The company has entered into an operating lease arrangement for the hire of the cable system over which it passes data signals as this arrangement is a cost efficient way of obtaining the short-term benefits of the asset The hire charges for the year are disclosed in note 2 and the annual commitment under this arrangement is disclosed in note 10 There are no other material off-balance sheet arrangements

17. Pensions

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

18. Immediate and ultimate parent undertaking

The immediate parent undertaking of this company is BP Exploration Operating Company Limited, a company registered in England and Wales The ultimate controlling parent undertaking is BP p l c , 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 p l c can be obtained from 1 St James's Square, London, SW1Y 4PD