

**GUANGDONG INVESTMENTS LIMITED**  
**(Registered No. 04622996)**

**ANNUAL REPORT AND ACCOUNTS 2012**

Sole Director A H Haywood

**REPORT OF THE DIRECTOR**

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

**Results and dividends**

The profit for the year after taxation was \$22,396,634 which, when added to the retained profit brought forward at 1 January 2012 of \$21,203,340, gives a total retained profit carried forward at 31 December 2012 of \$43,599,974

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 has a 15% holding in Guangdong Dapeng LNG Company Limited, which owns the Guangdong Liquefied Natural Gas Terminal and Trunk line. This consists of a liquefied natural gas receiving terminal in Shenzhen, South China and the supply of gas to power plant and town gas customers in the East Guangdong area. It also has a 15% holding in Shenzhen Dapeng LNG Marketing Limited which markets trucked LNG to local distribution companies that are mostly located within 400km of the truck loading site

It is the intention of the director that the company will continue to hold interests in Guangdong Dapeng LNG Company Limited and in Shenzhen Dapeng LNG Marketing Limited for the foreseeable future

No key financial and other performance indicators have been identified for this company

**Principal risks and uncertainties**

The company aims to deliver sustainable value by identifying and responding successfully to risks Risk management is integrated into the process of planning and performance management at a group level Monitoring and accountability for the management of these risks occur through quarterly performance reviews at a group level

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

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



## **GUANGDONG INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTOR**

#### **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 Guangdong Investments Limited

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

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

#### **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. 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.

Refining profitability can be volatile, with both periodic over-supply and supply tightness in various regional markets, coupled with fluctuations in demand. Sectors of the petrochemicals industry are also subject to fluctuations in supply and demand, with a consequent effect on prices and profitability.

## **GUANGDONG INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTOR**

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

##### **Strategic and commercial risks (continued)**

###### ***Prices and markets (continued)***

Periods of global recession could impact the demand for the company's products, the prices at which they can be sold and affect the viability of the markets in which the company operates

Governments are facing greater pressure on public finances, which may increase their motivation to intervene in the fiscal and regulatory frameworks of the oil and gas industry, including the risk of increased taxation, nationalisation and expropriation

The global financial and economic situation may have a negative impact on third parties with whom the company does, or may do, business with. In particular, on-going instability in or a collapse of the Eurozone could trigger a new wave of financial crises and push the world back into recession, leading to lower demand and lower oil and gas prices

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

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

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

###### ***Competition***

The company's strategy depends upon continuous innovation in a highly competitive market.

The oil, gas and petrochemicals industries are highly competitive. There is strong competition, both within the oil and gas industry and with other industries, in supplying the fuel needs of commerce, industry and the home. Competition puts pressure on the terms of access to new opportunities, licence costs and product prices, affects oil products marketing and requires continuous management focus on reducing unit costs and improving efficiency, while ensuring safety and operational risk is not compromised. The implementation of the BP group strategy requires continued technological advances and innovation including advances in exploration, production, refining, petrochemicals manufacturing technology and advances in technology related to energy usage. The company's performance could be impeded if competitors developed or acquired intellectual property rights to technology that it required or if its innovation lagged the industry, or by its failure to adequately protect the company's brands and trademarks. The company's competitive position could be adversely affected if it fails to control its operating costs or manage its margins, or if it fails to sustain, develop and operate efficiently a high quality portfolio of assets.

## **GUANGDONG INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTOR**

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

##### **Strategic and commercial risks (continued)**

###### ***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.

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

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

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

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

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

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

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

## **GUANGDONG INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTOR**

#### **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.

##### **Future developments**

The director aims to maintain the management policies which have resulted in the company's growth in recent years. He believes 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 director that the business of the company will continue for the foreseeable future.

##### **Directors**

The present director is listed on page 1.

A H Haywood and S P Cattle served as directors throughout the financial year. Changes since 1 January 2013 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
S P Cattle	-	10 January 2013

**GUANGDONG INVESTMENTS LIMITED**

**REPORT OF THE DIRECTOR**

**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

**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

**GUANGDONG INVESTMENTS LIMITED**

**REPORT OF THE DIRECTOR**

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

The director who was the sole director of the company 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 the 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

13 JUNE 2013

Registered Office

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

**GUANGDONG INVESTMENTS 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 he is 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. He is 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 he has complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continues to adopt the going concern basis in preparing the accounts.



**GUANGDONG INVESTMENTS LIMITED**

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

We have audited the financial statements of Guangdong Investments Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the accounting policies and the related notes 1 to 15. 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 Directors' Responsibilities set out on page 8, 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:

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

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

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

William Testa (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

18 June 2013

## **GUANGDONG INVESTMENTS LIMITED**

### **ACCOUNTING POLICIES**

#### **Accounting standards**

The financial statements of Guangdong Investments Limited were approved for issue by the sole director on **8 JUNE** 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

#### **Dividend income**

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

#### **Foreign currency transactions**

Foreign currency transactions are initially recorded in dollars by applying the exchange rate ruling on the date of 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

#### **Interest income**

Interest income is recognised on an accruals basis

#### **Investments**

Fixed asset investments in 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

#### **Debtors**

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

#### **Creditors**

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

**GUANGDONG INVESTMENTS LIMITED**

**ACCOUNTING POLICIES**

**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.

**GUANGDONG INVESTMENTS LIMITED**

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

		<u>2012</u>	<u>2011</u>
	Note	\$	\$
Dividend income from shares in joint venture		26,738,846	25,865,241
Administration expenses		(1,550,183)	(2,354,941)
Other operating income	3	<u>516,562</u>	<u>563,385</u>
<b>Profit on ordinary activities before interest and taxation</b>	<b>1</b>	<b>25,705,225</b>	<b>24,073,685</b>
 Interest receivable and similar income	 4	 47,007	 36,627
 <b>Profit before taxation</b>		 <u>25,752,232</u>	 <u>24,110,312</u>
Taxation	5	<u>(3,355,598)</u>	<u>(2,586,524)</u>
<b>Profit for the year</b>		<u><b>22,396,634</b></u>	<u><b>21,523,788</b></u>

The profit of \$22,396,634 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 profit for the year

**GUANGDONG INVESTMENTS LIMITED****(Registered No. 04622996)****BALANCE SHEET AT 31 DECEMBER 2012**

	Note	<u>2012</u> \$	<u>2011</u> \$
<b>Fixed assets</b>			
Investments	7	<u>42,653,749</u>	<u>42,653,749</u>
<b>Current assets</b>			
Debtors	8	<u>63,867,823</u>	<u>41,821,634</u>
Creditors: amounts falling due within one year	9	<u>(1,340,714)</u>	<u>(1,691,159)</u>
<b>Net current assets</b>		<u>62,527,109</u>	<u>40,130,475</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>105,180,858</u>	<u>82,784,224</u>
<b>NET ASSETS</b>		<u>105,180,858</u>	<u>82,784,224</u>
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	10	<u>61,580,884</u>	<u>61,580,884</u>
Profit and loss account	11	<u>43,599,974</u>	<u>21,203,340</u>
<b>SHAREHOLDERS' FUNDS – EQUITY INTERESTS</b>		<u>105,180,858</u>	<u>82,784,224</u>

On behalf of the Board



A H Haywood  
Director

13 JUNE 2013

**GUANGDONG INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**1. Profit on ordinary activities before interest and taxation**

This is stated after charging

	<u>2012</u>	<u>2011</u>
	\$	\$
Currency exchange losses	<u>37,378</u>	<u>36,003</u>

**2. Auditor's remuneration**

	<u>2012</u>	<u>2011</u>
	\$	\$
Fees for the audit of the company	<u>8,413</u>	<u>4,881</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 Guangdong Investments Limited's ultimate parent, BP plc, are required to disclose non-audit fees on a consolidated basis

**3. Other operating income**

	<u>2012</u>	<u>2011</u>
	\$	\$
Recoveries from joint venture	<u>516,562</u>	<u>563,385</u>

**4. Interest receivable and similar income**

	<u>2012</u>	<u>2011</u>
	\$	\$
Interest income from group undertaking	<u>47,007</u>	<u>36,627</u>

**GUANGDONG INVESTMENTS 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 tax charge is made up as follows:

	<u>2012</u>	<u>2011</u>
	\$	\$
<b>Current tax</b>		
Overseas tax on income for the year	3,355,598	2,586,524
Total current tax charged	3,355,598	2,586,524
 Tax charged on profit on ordinary activities	 <u>3,355,598</u>	 <u>2,586,524</u>

**(a) Factors affecting the current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% for the year ended 31 December 2012 (2011 – 26%). The differences are reconciled below:

	<u>2012</u>	<u>2011</u>
	UK	UK
	\$	\$
Profit on ordinary activities before tax	25,752,232	24,110,312
Current taxation	3,355,598	2,586,524
 Effective current tax rate	 13%	 11%
	<u>2012</u>	<u>2011</u>
	UK	UK
	%	%
UK corporation tax rate	24	26
Overseas corporation tax rate	-	-
 Increase/(decrease) resulting from		
Withholding tax suffered	13	11
Non-deductible expenditure / non-taxable income	(25)	(28)
Tax losses unused / (utilised)	1	2
 Effective current tax rate	 <u>13</u>	 <u>11</u>

The permanent and timing difference shown in the current tax rate reconciliation above are those that arise for UK corporation tax purposes, rather than overseas tax purposes.

**GUANGDONG INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****6. Directors and employees****(a) Remuneration of directors**

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

**(b) Employee costs**

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

**7. Investments**

	Joint venture shares (\$)
<b>Cost</b>	\$
At 1 January 2012 and 31 December 2012	42,653,749
<b>Net book amount</b>	
At 31 December 2012 / 31 December 2011	42,653,749

The investments in the joint ventures are unlisted.

The 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.

Joint ventures	Class of shares held	%	Principal place of business	Principal activities
Shenzhen Dapeng LNG Marketing Limited	Ordinary	15	Country of incorporation – People's Republic of China	LNG Distribution
Guangdong Dapeng LNG Company Limited	Ordinary	15	Country of incorporation – People's Republic of China	Gas & Power

**8. Debtors**

	2012	2011
	Within 1 year \$	Within 1 year \$
Amounts owed by group undertakings	63,646,833	41,635,674
Other debtors	86,095	160,240
Prepayments and accrued income	134,895	25,720
	<u>63,867,823</u>	<u>41,821,634</u>



**GUANGDONG INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****9. Creditors**

	<u>2012</u>	<u>2011</u>
	Within	Within
	1 year	1 year
	\$	\$
Amounts owed to group undertakings	1,203,697	1,545,049
Other creditors	51,814	61,055
Accruals and deferred income	85,203	85,055
	<u>1,340,714</u>	<u>1,691,159</u>

**10. Called up share capital**

	<u>2012</u>	<u>2011</u>
	\$	\$
Allotted, called up and fully paid		
32,415,381 Ordinary shares of £1 each for a total nominal value of £32,415,381	<u>61,580,884</u>	<u>61,580,884</u>

**11. Capital and reserves**

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	\$	\$	\$
At 1 January 2012	61,580,884	21,203,340	82,784,224
Profit for the year		22,396,634	22,396,634
At 31 December 2012	<u>61,580,884</u>	<u>43,599,974</u>	<u>105,180,858</u>

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

	<u>2012</u>	<u>2011</u>
	\$	\$
Profit for the year	22,396,634	21,523,788
Net increase in shareholders' funds	22,396,634	21,523,788
Shareholders' funds at 1 January	82,784,224	61,260,436
Shareholders' funds at 31 December	<u>105,180,858</u>	<u>82,784,224</u>

**13. 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

**GUANGDONG INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****Related party transactions (continued)**

Related party	Relationship	Description	Sales to related party	Amounts owed from related party	Amounts owed to related party
			\$	\$	\$
Guangdong Dapeng LNG Company Limited	Joint venture				
2012		Wage and salary recharge	516,562	86,095	51,814
2011		Wage and salary recharge	563,385	160,240	61,055
2012		Dividend received	24,185,831	-	-
2011		Dividend received	23,461,630	-	-
Shenzhen Dapeng LNG Marketing Company Limited	Joint venture				
2012		Dividend received	2,553,015	-	-
2011		Dividend received	2,403,610	-	-

**14. Pensions**

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

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

The immediate parent undertaking is BP Global Investments 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.