

**ALEXANDER DUCKHAM & CO., LIMITED**

**(Registered No 00162738)**

**ANNUAL REPORT AND ACCOUNTS 2012**

Board of Directors      R R Hewins  
   M Johnson

FRIDAY



LD3      07/06/2013      #6  
COMPANIES HOUSE

**REPORT OF THE DIRECTORS**

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

**Results and dividends**

On 21 September 2012, the company's board of directors approved the reduction of the company's share capital from £1,002,020 to £1 by cancelling and extinguishing shares owned by BP Oil UK Limited and Kenilworth Oil Company Limited. Following shareholder approval and registration at Companies House, the capital reduction became effective on 27 September 2012. In addition, the company's distributable reserves have been returned to the previous shareholder, BP Oil UK Limited, through an interim dividend in specie of balances owed from the parent company of £1,267,853 (2011 £nil). The directors do not propose the payment of a final dividend.

Following the share capital reduction, the company was sold for its book value of £1 to Lubricants UK Limited in 2012.

There were no recognised gains and losses for the financial year. The retained profit brought forward at 1 January 2012 of £265,834 together with the reduction in share capital of £1,002,019 and total paid interim dividends to ordinary shareholders of £1,267,853, gives a total retained profit carried forward at 31 December 2012 of £nil.

**Principal activity and review of the business**

The company's principal activity is the ownership of the legal title to the global licences and trademarks behind the Duckhams brand. In 2012 the company did not receive any royalty income.

On 23 February 2011 BP group announced the sale of the Duckhams lubricants brands. The company will continue its principal activity until the transaction has taken place.

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 area: compliance and control. 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).

**ALEXANDER DUCKHAM & CO., LIMITED**

**REPORT OF THE DIRECTORS**

**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 Alexander Duckham & Co., 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.

**ALEXANDER DUCKHAM & CO., LIMITED**

**REPORT OF THE DIRECTORS**

**Directors**

The present directors are listed on page 1

Changes since 1 January 2012 are as follows

	<u>Appointed</u>	<u>Resigned</u>
P J Mather		1 August 2012
R R Hewins	1 August 2012	
M Johnson	1 August 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

**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

**ALEXANDER DUCKHAM & CO., 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

29 MAY 2013

Registered Office

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

**ALEXANDER DUCKHAM & CO., 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.

**ALEXANDER DUCKHAM & CO., LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**ALEXANDER DUCKHAM & CO. LIMITED**

We have audited the financial statements of Alexander Duckham & Co. 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 11. 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 5, 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 result 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

*4 June* 2013

**ALEXANDER DUCKHAM & CO., LIMITED**

**ACCOUNTING POLICIES**

**Accounting standards**

The financial statements of Alexander Duckham & Co , Limited were approved for issue by the Board of Directors on 16<sup>th</sup> May 2013

These accounts are prepared on a going concern basis 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 is the income received in relation to the Duckham brand from the sale of Duckham products by BP Group companies throughout the world. This is recognised when sales are made

**Other debtors**

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

**ALEXANDER DUCKHAM & CO., LIMITED****PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

		<u>2012</u>	<u>2011</u>
	Note	£	£
Turnover	1	-	8,926
Operating profit		-	8,926
Profit on ordinary activities before taxation		-	8,926
Taxation	3	-	-
Profit for the year		-	8,926

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

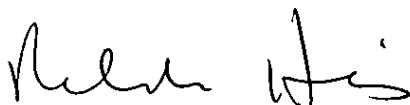
There are no recognised gains or losses attributable to the shareholders of the company for the year ended 31 December 2012 (2011 £8,926)



**ALEXANDER DUCKHAM & CO., LIMITED****(Registered No 00162738)****BALANCE SHEET AT 31 DECEMBER 2012**

	Note	<u>2012</u> £	<u>2011</u> £
<b>Current assets</b>			
Debtors – amounts falling due within one year	5	<u>1</u>	<u>1,267,854</u>
<b>NET ASSETS</b>		<u>1</u>	<u>1,267,854</u>
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	6	1	1,002,020
Profit and loss account	7	-	265,834
<b>SHAREHOLDERS' FUNDS – EQUITY INTERESTS</b>		<u>1</u>	<u>1,267,854</u>

On behalf of the Board


R R Hewins  
Director

29 MAY 2013

**ALEXANDER DUCKHAM & CO., LIMITED****NOTES TO THE ACCOUNTS****1. Turnover**

Turnover is income in relation to the Duckham brand from the sale of Duckham products by BP Group companies throughout the world

**2. Auditor's remuneration**

	<u>2012</u>	<u>2011</u>
	£	£
Fees for the audit of the company	<u>2,916</u>	<u>4,344</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 Alexander Duckham & Co., Limited's ultimate parent, BP plc, are required to disclose non-audit fees on a consolidated basis

The fees were borne by another group company.

**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 profit before taxation

	<u>2012</u>	<u>2011</u>
	£	£
Profit before taxation	-	8,926
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2012</u>	<u>2011</u>
	£	£
UK statutory corporation tax rate	0	2,321
Decrease resulting from:		
Free group relief	(3,428)	(13,655)
Transfer pricing adjustment	3,428	11,334
Effective current tax rate	<u>-</u>	<u>-</u>

**ALEXANDER DUCKHAM & CO., 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 a director of the company during the financial year (2011 £nil)

**(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
	£	£
Amounts owed by group undertakings	<u>1</u>	<u>1,267,854</u>

**6. Called up share capital**

	<u>2012</u>	<u>2011</u>
	£	£
Allotted, called up and fully paid.		
4 Ordinary shares of £0.25 each for a total nominal value of £1	<u>1</u>	<u>1,002,020</u>
	<u>1</u>	<u>1,002,020</u>

**7. Capital and reserves**

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	£	£	£
At 1 January 2012	1,002,020	265,834	1,267,854
Reduction of ordinary share capital	(1,002,019)	1,002,019	-
Result for the year	-	-	-
Dividends – current year interim paid	-	(1,267,853)	(1,267,853)
At 31 December 2012	<u>1</u>	<u>-</u>	<u>1</u>

**ALEXANDER DUCKHAM & CO., LIMITED****NOTES TO THE ACCOUNTS****7. Capital and reserves (continued)**

On 21 September 2012, the company's board of directors approved the reduction of the company's share capital from £1,002,020 to £1 by cancelling and extinguishing shares owned by BP Oil UK Limited and Kenilworth Oil Company Limited. Following shareholder approval and registration at Companies House, the capital reduction became effective on 27 September 2012. In addition, the company's distributable reserves have been returned to the previous shareholder, BP Oil UK Limited, through an interim dividend in specie of balances owed from the parent company of £1,267,853 (2011: £nil). The dividend per share was £316.963 (2011: £nil). Following the share capital reduction, the company has been sold for its book value of £1 to Lubricants UK Limited in 2012.

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

	2012	2011
	£	£
Result for the year	-	8,926
Dividends – current year interim paid	(1,267,853)	-
Net (decrease) / increase in shareholders' funds	(1,267,853)	8,926
Shareholders' funds at 1 January	1,267,854	1,258,928
Shareholders' funds at 31 December	1	1,267,854

**9. 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.

**10. Pensions**

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

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

The immediate parent undertaking is Lubricants UK 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.