BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED
(Registered No.01553681)

ANNUAL REPORT AND ACCOUNTS 2012

Board of Directors.	C W Coburn
	D Emery
	P G New
	R G Mason

REPORT OF THE DIRECTORS

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

Results and dividends

The loss for the year after taxation was £21,442,000 which, when added to the retained deficit brought forward at 1 January 2012 of £234,140,000, gives a total retained deficit carried forward at 31 December 2012 of £255 582,000

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

Principal activity and review of the business

The main activity of the company is to evaluate and invest in alternative energy business opportunities to further BP's strategic expansion into the renewable energy low carbon sector

The company's performance is consistent with BP's strategy to appraise opportunities and make strategic investment decisions in the renewable energy low carbon sector

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

	2012	2011	Variance
	£000	£000	%
Other income	-	80	(100)
Operating loss	(21,957)	(22 008)	0
Loss after taxation	(21,442)	(1,088)	(1 871)
Shareholders' funds	35,618	57,060	(38)

	2012	2011	Variance
	%	%	
Quick ratio*	30	283	(253)

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

The operating loss for the year has decreased in relation to last year largely due to a reduction in consultancy and professional fees

The loss after taxation is significantly higher than in 2011 due to an exceptional profit on disposal of £21 million in the prior year

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

Principal risks and uncertainties

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

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

Company level risks have been categorised against the following areas: 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)

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 Alternative Energy International Limited

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

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

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

Principal risks and uncertainties (continued)

Strategic and commercial risks

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

Joint ventures and other contractual arrangements
Many of the company's major projects and operations are conducted through joint ventures or associates 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 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

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

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

Financial risk management

The main financial risks faced by the company through its normal business activities are market risk, foreign currency exchange risk and credit 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

Market risk
Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business This includes the possibility that changes in foreign currency exchange rates, interest rates or oil, natural gas and power prices will adversely affect the value of the company's financial assets, liabilities or expected future cash flows The management of such risks is performed at BP group level The group has developed a control framework aimed at managing the volatility inherent in certain of its natural business exposures In accordance with this control framework the group enters into various transactions using derivatives for risk management purposes.

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.

Principal risks and uncertainties (continued)

Financial risk management (continued)

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company It arises from cash and cash equivalents, derivative financial instruments and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables The management of such risks is performed at BP group level The group has a credit policy, approved by the CFO, which is designed to ensure that consistent processes are in place throughout the group to measure and control credit risk Credit risk is considered as part of the risk-reward balance of doing business On entering into any business contract the extent to which the arrangement exposes the group to credit risk is considered Before trading with a new counterparty can start, its creditworthiness is assessed and a credit rating allocated that indicates the probability of default, along with a credit exposure limit Creditworthiness continues to be evaluated after transactions have been initiated and a watch list of higher-risk counterparties is maintained

Commercial credit risk is measured and controlled to determine the company's total credit risk Inability to determine adequately the company's credit exposure could lead to financial loss A credit crisis affecting banks and other sectors of the economy could impact the ability of counterparties to meet their financial obligations to the company It could also affect the company's ability to raise capital to fund growth and to meet its obligations

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

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

Directors

The present directors are listed on page 1

C W Coburn, D Emery and P G New served as directors throughout the financial year Changes since 1 January 2012 are as follows

	Appointed	Resigned
J C M Adams	-	27 February 2012
R G Mason	27 February 2012	-

Directors' indemnity

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

Policy and practice on payment of creditors

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company with payments made in accordance with the relevant contractual payment terms A copy of the code of practice may be obtained from the CBI

The number of days' purchases represented by trade creditors at the year-end was nil

Auditor

In the absence of a notice proposing that the appointment be terminated, Ernst & Young LLP will be deemed to be re-appointed as the company's auditor for the next year

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

Directors' statement as to the disclosui e of information to the auditor

The duectors who were members of the board at the tune of appioving the duectors' report are listed on page 1 Havmg 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 mfonnation relevant to the preparation of their report of which the company's auditoi is unawaie, and
- Each directoi 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 Oider of the Board

Foi and on behalf of
Sunbury Secretaries Limited
Company Secretary

24 September 2013

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The dnectors are iesponsible for preparmg the Duectors' Report and the financial statements m accordance with applicable law and iegulations

Company law requires the directors to prepaie financial statements for each financial year Under that law the directors have elected to piepare the financial statements m accoidance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law) Undei 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 directois 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 standaids have been followed, subject to any material departures disclosed and explained m the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue m business

The directors are responsible for keeping adequate accounting iecoids 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 m operational existence foi the foreseeable futu e, continue to adopt the going concern basis m preparing the accounts.

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

We have audited the financial statements of BP Alternative Energy International 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 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 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

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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion

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

Ernst & Young LLP

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

London
24 September 2013

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

ACCOUNTING POLICIES

Accounting standards

The financial statements of BP Alternative Energy International Limited were approved for issue by the Board of Directors on 20 September 2013

These accounts are prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable UK accounting standards

Accounting convention

The accounts are prepared under the historical cost convention.

Basis of preparation

At 31 December 2012 the company's balance sheet had net current liabilities amounting to £7,402,000.

The directors consider it appropriate to prepare the accounts on a going concern basis as the company is in an overall net assets position and has the continued support of its parent company (which represents the majority of the current liabilities)

Statement of cash flows

The group accounts of the ultimate parent undertaking contain a consolidated cash flow statement The company has taken advantage of the exemption granted by the Financial Reporting Standard No 1 (Revised), whereby it is not required to publish its own cash flow statement

Group accounts

Group accounts are not submitted as the company is exempt from the obligation to prepare group accounts under Section 400 (1) of the Companies Act 2006. The results of subsidiary and associated undertakings are dealt with in the consolidated accounts of the ultimate parent undertaking, BP p.l c , a company registered in England and Wales These accounts present information about the company as an individual undertaking and not about the group

Foreign currency transactions

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

Capitalisation of finance costs and interest

Interest costs are not capitalised and are charged in the profit and loss account in the year in which it is incurred

Interest income

Interest income is recognised on an accruals basis

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

ACCOUNTING POLICIES

Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset The capitalised value of a finance lease is also included within tangible fixed assets.

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

Investments

Fixed asset investments in subsidiaries and joint ventures are held at cost The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable If any such indication of impairment exists, the company makes an estimate of its recoverable amount Where the carrying amount of an investment exceeds its recoverable amount the investment is considered impaired and is written down to its recoverable amount

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

Trade and other debtors

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

Trade and other creditors

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

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £000	2011 £000
Administration expenses		(21,957)	(22,088)
Other income	3	-	80
Operating Loss	1	(21,957)	(22,008)
Exceptional items	4	459	20,985
Loss on ordinary activities before interest and taxation		(21,498)	(1,023)
Interest payable and similar charges	5	(4)	(86)
Interest receivable and similar income	6	60	21
Loss before taxation		(21,442)	(1,088)
Taxation	7	-	-
Loss for the year		(21,442)	(1,088)

The loss of £21,442,000 for the year ended 31 December 2012 was derived in its entirety from continuing operations

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

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

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED
(Registered No 01553681)

BALANCE SHEET AT 31 DECEMBER 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	9	712	949
Investments	10	42,308	37,210
		43,020	38 159
Current assets			
Debtors	11	3,096	29,241
Creditors: amounts falling due within one year	12	(10,498)	(10,340)
Net current (liabilities) / assets		(7,402)	18,901
TOTAL ASSETS LESS CURRENT LIABILITIES		35,618	57,060
NET ASSETS		35,618	57,060
Represented by			
Capital and reserves			
Called up share capital	13	291,200	291 200
Profit and loss account	14	(255,582)	(234,140)
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		35,618	57,060

On behalf of the Board

D Emery
Director
24 September 2013

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

1. Operating loss

This is stated after charging

	2012	2011
	£000	£000
Exchange loss on foreign currency borrowings less deposits	29	11
Depreciation of owned fixed assets	201	267
Impairment of investments	7,506	4,319

2. Auditor's remuneration

	2012	2011
	£000	£000
Fees for the audit of the company	27	27

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 Alternative Energy International Limited's ultimate parent, BP p l c , are required to disclose non-audit fees on a consolidated basis

3. Other income

	2012	2011
	£000	£000
Income from ventures	-	80

4. Exceptional items

	2012	2011
	£000	£000
Profit on disposal of fixed asset investments	459	20,985

Exceptional items comprise the net gains and losses of several fixed asset investments disposed of in the period

5. Interest payable and similar charges

	2012	2011
	£000	£000
Interest expense on		
Loans from group undertakings	4	86

6. Interest receivable and similar income

	2012	2011
	£000	£000
Interest income from group undertakings	60	21

7. 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

	2012	2011
	£000	£000
Loss before taxation	21,442	1,088
Current taxation	-	-
Effective current tax rate	0%	0%

	2012	2011
	%	%
UK statutory corporation tax rate	24	26
Decrease resulting from		
Fixed asset timing differences	1	11
Non-deductible expenditure / non-taxable income	(4)	398
Transfer pricing adjustments	-	(28)
Free group relief	(21)	(407)
Effective current tax rate	-	-

8. Directors and employees

(a) Remuneration of directors

The total remuneration for all serving directors for their period of directorship to the company amounted to £135,000 (2011: £137,000) A number of directors are senior executives of the BP Plc Group and received no remuneration for services to this company or its subsidiary undertakings

Two directors were members of the defined benefit section of the BP Pension Fund at 31 December 2012 (2011 One)

None of the directors exercised share options over BP p l c shares during the year (2011 None)

8. Directors and employees (continued)

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

9. Tangible assets

	Fixtures & fittings	Plant & machinery	Total	Of which AUC*
Cost	£000	£000	£000	£000
At 1 January 2012	830	1,297	2,127	370
Disposals	(830)	(36)	(866)	(36)
At 31 December 2012	-	1,261	1 261	334
Depreciation and impairment				
At 1 January 2012	817	361	1,178	-
Charge for the year	13	188	201	-
Disposals	(830)	-	(830)	-
At 31 December 2012	-	549	549	-
Net book value				
At 31 December 2012	-	712	712	334
At 31 December 2011	13	936	949	370
Principal rates of depreciation	25%-35%	10%		

*AUC = assets under construction Assets under construction are not depreciated

BP ALTERNATIVE ENERGY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

10. Investments

	Subsidiary shares	Other investments	Joint venture shares	Total
Cost	£000	£000	£000	£000
At 1 January 2012	7,973	30,608	5,279	43,860
Additions		14,037	617	14,654
Disposals	(1,149)	(5,723)	-	(6,872)
At 31 December 2012	6,824	38 922	5,896	51,642
Impairment losses				
At 1 January 2012	2,331	4,319	-	6,650
Charge for the year	4,337	3,169	-	7,506
Disposals	(1,149)	(3,673)	-	(4,822)
At 31 December 2012	5,519	3,815	-	9,334
Net book amount				
At 31 December 2012	1,305	35,107	5,896	42,308
At 31 December 2011	5,642	26,289	5,279	37,210

During the year the company disposed of its investments in Chengdu First Energy Company (subsidiary), South Pole Holding Ltd and ZBest International Holdings Ltd (other investments)

The company made a number of additions to investments in the period The significant additions were in Xact Inc (£3 1m), Upwind Solutions Inc (£3 2m), Oxane Materials Inc (£3 5m) and Verdezyne Inc (£1.0m)

During the period the company provided in full against its investment in Abound Solar Inc The company also wrote down its investment in Hydrogen Energy International Limited, a wholly owned subsidiary, by £4 3m

The investments in the subsidiary undertakings and joint ventures are unlisted

The subsidiary undertakings and joint ventures of the company at 31 December 2012 and the percentage of equity capital held are set out below The principal country of operation is generally indicated by the company's country of incorporation or by its name

Subsidiary undertakings	Class of share held	%	Country of incorporation	Principal activity
Hydrogen Energy International Ltd	Ordinary	100	England and Wales	Developing hydrogen-fuelled power projects that use feedstock, such as coal or gas, but capture and store the carbon dioxide
BP Solar do Brazil Ltda	Ordinary	99	England and Wales	Solar Energy
Peterhead Hydrogen Power Ltd (in liquidation)	Ordinary	100	England and Wales	Dormant

10. Investments (continued)

Joint ventures	Class of share held	%	Principal place of business	Principal activities
Breathing Buildings Ltd	Ordinary	27	UK	Breathing Buildings Limited provides low energy ventilation systems, using the principles of natural mixing ventilation in winter and natural upward displacement ventilation in the summer
GMZ Energy	Preference B	26	USA	GMZ Energy is a pioneer in nanotechnology-based materials, a building block for a new generation of energy-efficient and more environmentally-friendly products
Optoatmospherics Inc	Preference A	24 6	USA	Optoatmospherics Inc develops wind turbine control systems

11. Debtors

	2012 Within 1 year £000	2011 Within 1 year £000
Trade debtors	-	2
Amounts owed by group undertakings	1,209	27,956
Amounts owed by associates	-	54
Other debtors	1,887	1,221
Prepayments	-	8
	3,096	29,241

12. Creditors

	2012 Within 1 year £000	2011 Within 1 year £000
Trade creditors	173	320
Amounts owed to group undertakings	8,829	1,141
Other creditors	218	6,653
Accruals and deferred income	1,278	2,226
	10,498	10 340

13. Called up share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
291,200,000 Ordinary shares of £1 each for a total nominal value of £291 200,000	291,200	291,200

14. Capital and reserves

	Called up share capital	Profit and loss account	Total
	£000	£000	£000
At 1 January 2012	291,200	(234,140)	57,060
Loss for the year	-	(21,442)	(21,442)
At 31 December 2012	291,200	(255 582)	35,618

15. Reconciliation of movements in shareholders' funds

	2012	2011
	£000	£000
Loss for the year	(21,442)	(1,088)
Issue of ordinary share capital	-	60,000
Net increase in shareholders' funds	(21,442)	58,912
Shareholders' funds / (deficit) at 1 January	57,060	(1,852)
Shareholders' funds at 31 December	35,618	57,060

16. 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

17. Pensions

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

18. Immediate and ultimate controlling parent undertaking

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