BP AFRICA LIMITED
(Registered No 01030652)

ANNUAL REPORT AND ACCOUNTS 2011

Board of Directors M T Erginbilgic
B M Puffer

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2011

Results and dividends

The profit for the year after taxation was £105,632,420 which, when added to the retained profit brought forward at 1 January 2010 of £33,915,813 together with exchange adjustments taken directly to reserves of £1,587,176 and total paid dividends to ordinary shareholders of £93,597,903, gives a total retained profit carried forward at 31 December 2010 of £47,537,506

During the year the company has declared and paid dividends of £ 93,597,903 (2010 £ Nil) The directors do not propose the payment of a dividend

Principal activity and review of the business

The company is an investment holding company

It is the intention of the directors that the above business of the company will continue for the foreseeable future

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

	2011	2010	Variance
	£	£	%
Dividend income	308,276	2,671,473	(88)
Profit on ordinary activities before interest and tax	117,830,053	1,132,479	10,305
Profit after taxation	105,632,420	946,400	11,062
Shareholders' funds	47,537,508	33,915,815	40

	2011	2010	Variance
	%	%	
Current assets as % of current liabilities	286	209	77

The decrease in dividend income and substantial increase in profit from ordinary activities before interest and tax, is due to the sale of a significant portion of company's fixed asset investments during the year Shareholders' funds have increased due to the profit for the year

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

The principal risks and uncertainties for the company are set out below

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 Africa Limited

There is significant uncertainty in the extent and timing of costs and liabilities relating to the Incident, the impact of the Incident on the reputation of the BP group and the resulting possible impact on the company's ability to access new opportunities There is also significant uncertainty regarding potential changes in applicable regulations and the operating environment that may result from the Incident These increase the risks to which the group and therefore the company are exposed to These uncertainties are likely to continue for a significant period 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 BP Group recognized charges totalling $40 9 billion in 2010 and a credit of $3 7 billion in 2011 as a result of the Incident The total amounts that will ultimately be paid by BP in relation to all obligations relating to the Incident are subject to significant uncertainty and the ultimate exposure and cost to BP will be dependent on many factors Furthermore, the amount of claims that become payable by BP, the amount of fines ultimately levied on BP (including any potential determination of BP's negligence or gross negligence), the outcome of litigation, and any costs arising from any longer-term environmental consequences of the oil spill, will also impact upon the ultimate cost for BP Although the provision recognized is the current best estimate of expenditures required to settle certain present obligations at the end of the reporting period, there are future expenditures for which it is not possible to measure the obligation reliably 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 2011

Company level risks have been identified and classified in three categories strategic, compliance and ethics, and financial risk management

BP AFRICA LIMITED

REPORT OF THE DIRECTORS

Principal risks and uncertainties (continued)

Strategic risks

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 political instability, changes to the regulatory environment, expropriation or nationalisation of property, civil strife, strikes, acts of war and insurrections Any of these conditions could disrupt or terminate the company's operations, causing its development activities to be curtailed or terminated, or its production to decline, and could cause it to incur additional costs

Compliance and ethics risks

Ethical misconduct and non-compliance
The code of conduct, which applies to all employees, defines the company's commitment to integrity, compliance with all applicable legal requirements, high ethical standards and the behaviours and actions the company expects of its businesses and people wherever it operates Incidents of ethical misconduct or non-compliance with applicable laws and regulations, including non-compliance with anti-bribery, anti-corruption and other applicable laws could be damaging to the company's reputation and shareholder value Multiple events of non-compliance could call into question the integrity of the company's operations

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

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 our reputation

Principal risks and uncertainties (continued)

Financial risk management
The main financial risks faced by the company through its normal business activities are market risk, foreign currency exchange risk, interest rate risk, credit risk and liquidity risk The management of these financial risks is performed at BP group level The company seeks to maintain a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity This framework constrains the level of assessed capital at risk for the purposes of positions taken in financial instruments Failure to accurately forecast or maintain sufficient liquidity and credit to meet these needs could impact the company's ability to operate and result in a financial loss

Market risk
Market risk is 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 BP's foreign exchange management policy is to minimize 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

Interest rate risk
The company is exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows or the fair values of its financial instruments, principally finance debt

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, 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 that is designed to ensure that consistent processes are in place throughout the group to measure and control credit risk 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, 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 watchlist of higher-risk counterparties is maintained.

Liquidity risk
Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available This risk is managed by the BP group on the company's behalf and as such the company has access to the resources of the group

BP AFRICA LIMITED

REPORT OF THE DIRECTORS

Directors

The present directors are listed on page 1

There have been no director appointments or resignations since 1 January 2011

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

Auditors

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

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

10 SEPTEMBER 2012
Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP AFRICA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss for that period In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the 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

BP AFRICA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BP AFRICA LIMITED

We have audited the financial statements of BP Africa Limited for the year ended 31 December 2011 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 19 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 2011 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
11 September 2012

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BP AFRICA LIMITED

ACCOUNTING POLICIES

Accounting standards

The financial statements of BP Africa Limited were approved by the Board of Directors on 6 SEPTEMBER 2012

These accounts are prepared in accordance with 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

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 The accounts present information about the company as an individual undertaking and not about the group

Dividend income

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

Foreign currency transactions

Assets and liabilities of foreign currency branches are translated into sterling at rates of exchange ruling at the balance sheet date The profit and loss account is translated into sterling using average rates of exchange Exchange differences arising when the opening net assets and the profits for the year retained by foreign currency branches are translated into sterling are taken directly to reserves and reported in the statement of total recognised gains and losses Exchange gains and losses arising on long-term foreign currency borrowings used to finance the company's foreign currency investments are also dealt with in reserves

All other exchange gains or losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit or loss for the year

Interest

Interest is charged against income in the year in which it is incurred

Dividends payable

Final dividends are recorded in the accounts in the year in which they are approved by the company's shareholders Interim dividends are recorded in the year in which they are approved and paid

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ACCOUNTING POLICIES

Investments

Fixed asset investments in subsidiaries, joint ventures and associates 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

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

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain The expense relating to any provision is presented in the profit and loss account net of any reimbursement If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable

Environmental liabilities

Environmental expenditures that relate to current or future revenues are expensed or capitalised as appropriate Expenditures that relate to an existing condition caused by past operations and that do not contribute to current or future earnings are expensed

Liabilities for environmental costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites The amount recognised is the best estimate of the expenditure required Where the time value of money is material, the amount recognised is the present value of the estimated future expenditure

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BP AFRICA LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Dividend income		308,276	2,671,473
Administration income/(expenses)		720,433	(1,056,364)
Exceptional items	3	116,801,344	(482,630)
Profit on ordinary activities before interest and tax	1	117,830,053	1,132,479
Interest receivable and similar income	4	154,696	34,933
Profit before taxation		117,984,749	1,167,412
Taxation	5	(12,352,329)	(221,012)
Profit for the year		105,632,420	946,400

The profit of £ 105,632,420 for the year ended 31 December 2011 was derived in its entirety from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Profit for the year	105,632,420	946,400
Currency translation differences	1,587,176	814,476
Total recognised gains and losses for the year	107,219,596	1,760,876

BP AFRICA LIMITED
(Registered No 01030652)

BALANCE SHEET AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
Fixed assets			
Investments	7	7,624,511	7,624,511
Current assets			
Debtors	8	102,359,141	93,783,105
Investments held for sale	9	-	4,387,432
		102,359,141	98,170,537
Creditors: amounts falling due within one year	10	(35,767,784)	(46,879,233)
Net current assets		66,591,357	51,291,304
TOTAL ASSETS LESS CURRENT LIABILITIES		74,215,868	58,915,815
Creditors amounts falling due after more than one year	10	(25,000,000)	(25,000,000)
Provisions for liabilities and charges			
Environmental provision	12	(1,678,360)	-
NET ASSETS		47,537,508	33,915,815
Represented by:			
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account	14	47,537,506	33,915,813
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		47,537,508	33,915,815

On behalf of the Board

Brian Puffer
Director

10 SEPTEMBER 2012

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BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

1. Profit on ordinary activities before interest and tax

This is stated after taking into account

	2011	2010
	£	£
Exchange gain	733,830	1,027,378

2. Auditor's remuneration

	2011	2010
	£	£
Fees for the audit of the company	4,162	4,670

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

The fees were borne by another group company

3. Exceptional items

Exceptional items comprise of amounts directly incurred from investments sold during the year as follows

	2011	2010
	£	£
Reversal of BP Zimbabwe impairment (Refer Note 9)	6,952,007	-
Settlement of BP Zimbabwe claim	(3,538,123)	-
Bad debt recovery	2,683,140	-
Environmental provision raised	(1,602,623)	-
Divestment expenditure	-	(482,630)
Profit on sale of investments	112,306,943	-
Exceptional items	116,801,344	(482,630)
Tax charge	(12,296,555)	-
Exceptional items (net of tax)	104,504,789	(482,630)

The profit on sale of £ 112,306,943 arose due to the company's sale of investments as detailed in Note 9

Capital gains tax is payable on the disposals at a rates of 15% for BP Malawi Limited, 30% for BP Tanzania Limited and 5% for BP Zimbabwe (Private) Limited.

4. Interest receivable and similar income

	2011	2010
	£	£
Interest income from group undertakings	154,696	34,933

BP AFRICA 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 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 tax that arises without charge

The tax charge is made up as follows

	2011	2010
Current tax	£	£
Overseas withholding tax	55,774	221,012
Capital gains tax	12,296,555	-
Tax charged on profit on ordinary activities	12,352,329	221,012

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate on profit before taxation.

	2011	2010
	£	£
Profit before taxation	117,984,749	1,981,888
Current taxation	12,352,329	221,012
Effective current tax rate	10%	19%

	2011	2010
	%	%
UK statutory corporation tax rate	26	28
Increase/(decrease) resulting from		
Free group relief	-	12
Transfer pricing adjustment	-	(30)
Non deductable expenses / non taxable income	(26)	9
Current overseas tax	10	-
Effective current tax rate	10	19

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 (2010· £ Nil)

(b) Employee costs

The company had no employees during the year (2010· £ Nil)

BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

7. Fixed assets - investments

	Subsidiaries shares	Investment in associates shares	Total
Cost	£	£	£
At 1 January 2011	7,624,511	-	7,624,511
At 31 December 2011	7,624,511	-	7,624,511
Amounts provided			
At 1 January 2011	-	-	-
At 31 December 2011	-	-	-
Net book amount			
At 31 December 2011	7,624,511	-	7,624,511
At 31 December 2010	7,624,511	-	7,624,511

The investments in the subsidiary undertakings are unlisted

The subsidiary undertakings of the company at 31 December 2011 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 shares held	%	Country of incorporation	Principal activity
BP Moçambique Ltd	Ordinary	100	England & Wales	Marketing
BP Moçambique Limitada	Ordinary	98 27	Moçambique	Marketing
Kabulonga Properties Ltd	Ordinary	100	Zambia	Properties

8. Debtors

	2011	2010
	Within 1 year	Within 1 year
	£	£
Amounts owed by group undertakings	102,359,141	93,783,105
	102,359,141	93,783,105

The amount receivable from subsidiary undertakings includes interest free and unsecured US Dollar-denominated debenture notes totalling £ 6,638,278 (2010 £ 6,637,847) issued to BP Moçambique Limited and is repayable on a date as may be agreed between the parties

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9. Investments held for sale

	2011	2010
	£	£
Cost	-	18,084,245
Amounts provided	-	(13,696,813)
	-	4,387,432

On 2 March 2010 the company publicly announced its intention to find new owners for the company's downstream operations in Malawi, Zambia and Tanzania, and dispose of these assets This project was completed during 2011 Also during the latter part of 2007, the BP plc Board approved the disposal of the company's investment in Zimbabwe

Agreements concluded during the year are as follows

Entity	Purchaser Details	Date of agreement
BP Zambia Plc	Puma Energy (Ireland) Holdings Limited	12 November 2010
BP Tanzania Limited	Puma Energy (Tanzania) Investments Limited	12 November 2010
BP Malawi Limited	Puma Energy (Malawi) Holdings AG	12 November 2010
BP Zimbabwe (Pvt) Ltd & Shell Zimbabwe (Pvt) Ltd	FMI Zimbabwe (Pvt) Ltd	7 October 2010

The investments sold during the year were unlisted with exception of BP Zambia Plc

The subsidiary and associated undertakings of the company sold during the year 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	%	Country of incorporation	Principal activity
BP Zambia Plc	75	Zambia	Marketing
BP Malawi Limited	50	Malawi	Marketing

Associated undertakings	%	Country of incorporation	Principal activity
BP Zimbabwe (Pvt) Ltd	50	Zimbabwe	Marketing
Central African Petroleum Refineries (Pvt) Ltd	20 75	Zimbabwe	Refining
BP Tanzania Limited	50	Tanzania	Marketing
Shell Zimbabwe (Pvt) Ltd	50	Zimbabwe	Marketing

A provision of £13,694,462 was held against the cost of the investment in BP Zimbabwe (Pvt) Ltd and Shell Zimbabwe (Pvt) Ltd since 2001 due to the long term currency restrictions in Zimbabwe A portion of this impairment was reversed during the current year to the value of the proceeds received for the sale of this investment as detailed in Note 3 (2010 £Nil)

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10. Creditors

	2011 Within 1 year £	2011 After 1 year £	2010 Within 1 year £	2010 After 1 year £
Deferred income relating to disposals	-	-	15,495,040	-
Amounts owed to group undertakings	24,698,468	-	24,746,346	-
Loans (see note 11)	6,638,278	25,000,000	6,637,847	25,000,000
CGT Payable	4,431,038	-	-	-
	35,767,784	25,000,000	46,879,233	25,000,000

11. Loans

Loans repayable, included within creditors, are analysed as follows

	2011 Within 5 year £	2011 After 5 year £	2010 Within 5 year £	2010 After 5 year £
Wholly repayable	-	25,000,000	-	25,000,000
Not wholly repayable	6,638,278	-	6,637,847	-
	6,638,278	25,000,000	6,637,847	25,000,000

The amounts shown as payable after five years to parent and fellow subsidiary undertakings includes an interest free loan of £ 25,000,000 from BP p l c

The amount shown as payable within five years to group undertakings includes an interest free US Dollar-denominated loan at a value of £ 6,638,278 (2010 £ 6,637,847) from BP Moçambique Limitada

Both loans are repayable on dates as may be agreed between the parties

12. Environmental provision

	Environ-Mental £	Total £
At 1 January 2011	-	-
Provision raised	1,678,360	1,678,360
At 31 December 2011	1,678,360	1,678,360

The company has been assigned, in terms of an agreement reached with BP Zambia Plc , the responsibility and liability for remedial works and contamination relating to a site at Musenga in Zambia The agreement was reached before BP Zambia Plc was sold to Puma Energy (Ireland) Holding Limited on 12 November 2010 On the basis of assumptions agreed by the Group Remediation management function the company's share of discounted costs have been provided for

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BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

13. Called up share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each for a total nominal value of £2	2	2

14. Capital and reserves

	Equity share capital	Profit and loss account	Total
	£	£	£
At 1 January 2011	2	33,915,813	33,915,815
Currency translation differences	-	1,587,176	1,587,176
Profit for the year	-	105,632,420	105,632,420
Dividends paid	-	(93,597,903)	(93,597,903)
At 31 December 2011	2	47,537,506	47,537,508

In 2011, the company paid an ordinary dividend of £ 93,597,903 (2010 £ Nil).

15. Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the year	105,632,420	946,400
Currency translation differences	1,587,176	814,476
Dividends paid	(93,597,903)	-
Net increase in shareholders' funds	13,621,693	1,760,876
Shareholders' funds at 1 January	33,915,815	32,154,939
Shareholders' funds at 31 December	47,537,508	33,915,815

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 its wholly owned 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

Related party	Relationship	Dividends from related party 2011	Dividends from related party 2010	Amounts owed by related party 2011	Amounts owed by related party 2010
		£	£	£	£
BP Mozambique Limitada	Subsidiary	-	-	(6,638,278)	(6,637,847)
BP Malawi Limited	Subsidiary	-	1,748,785	-	-
BP Zambia Plc	Subsidiary	-	922,688	-	-
BP Tanzania Limited	Associate	308,276	-	-	-

BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

17. Pensions

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

18. Contingent liabilities

The Company remains liable for settlement of tax audit issues for periods prior to the economic date for the disposal of the company's downstream interests in Malawi, Zambia and Tanzania and also for settlement of any tax liabilities on the divestments Potential liabilities, for a total of £19 million, remain until these audits are formally closed No amounts have been provided as the Company is of the opinion that there will be no outflow of resources

19. Immediate and ultimate parent undertaking

The immediate parent undertaking of this company is BP p l c, a company registered in England and Wales The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the company is a member, is BP p l c , a company registered in England and Wales Copies of BP p l c 's accounts can be obtained from 1 St James's Square, London, SW1Y 4PD