BP CAR FINANCE LIMITED
(Registered No 00651878)

ANNUAL REPORT AND ACCOUNTS 2012

Board of Duectors D J Bucknall
B Gilvary

REPORT OF THE DIRECTORS

The duectors present their report and accounts foi the year ended 31 December 2012

Results and dividends

The profit for the year after taxation was £6,779,000 which, when deducted fiom the ietamed deficit brought forward at 1 January 2012 of £12,170,000 gives a total retamed deficit carried forwaid at 31 December 2012 of £5,391 000

The company has not declaied any dividends during the yeai (2011 £Nil) The directors do not piopose the payment of a dividend

Principal activity and review of the business

The piincipal activity of the company is the purchase of vehicles, which aie leased to fellow subsidiary undertakings, and the sale of cais to eligible employees under the terms of individual Credit Sale Agieements

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

	2012	2011	Variance
	£000	£000	%
Turnover	1,480	2,590	(43)
Operating profit	6,147	4 577	34
Profit after taxation	6 779	4 939	37
Shaieholders funds	80 512	73,733	9

The deciease in turnover is due to the cessation of a car owneiship scheme to new eligible employees since 2010 Despite the drop in turnovei, operating profit increased primarily as a result of the write-back of a piovision for the iesidual interest in vehicles

BP CAR FINANCE 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 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)

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 Car Finance 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

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

Principal risks and uncertainties (continued)

Compliance and control risks (continued)

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

Future developments

The directors aim to maintain the management policies which have resulted in the company's stability in recent years They believe that the company is in a good position to take advantage of any opportunities which may arise in the future

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

Directors

The present directors are listed on page 1

There have been no director appointments or resignations since 1 January 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 CAR FINANCE 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

12 September 2013

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP CAR FINANCE 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

BP CAR FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BP CAR FINANCE LIMITED

We have audited the financial statements of BP Car Finance 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 17 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 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
13 September 2013

BP CAR FINANCE LIMITED

ACCOUNTING POLICIES

Accounting standards

The financial statements of BP Car Finance Limited were approved for issue by the Board of Directors on 10 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.

Statement of cash flows

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

Revenue recognition

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

Interest income

Interest income is recognised on an accruals basis

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

Tangible assets are depreciated on the straight line method over their estimated useful lives

Maintenance expenditure

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets inspection costs and overhaul costs Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the company the expenditure is capitalised All other maintenance costs are expensed as incurred

BP CAR FINANCE LIMITED

ACCOUNTING POLICIES

Impairment of tangible fixed assets

The company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets If any such indication of impairment exists or when annual impairment testing for an asset group is required, the company makes an estimate of its recoverable amount An asset group's recoverable amount is the higher of its net realisable value and its value in use Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased If such indication exists, the recoverable amount is estimated A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised If that is the case the carrying amount of the asset is increased to its recoverable amount That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years Such reversal is recognised in profit or loss After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life

Debtors

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

Creditors

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

Use of estimates

The preparation of accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period Actual outcomes could differ from those estimates

ACCOUNTING POLICIES

Residual interests in vehicles

It is the Company's policy to recognise assets and liabilities for the repurchase of residual interests in vehicles at the end of the credit sale period at pre-determined prices set out in the contracts

Where it is anticipated by the directors that the repurchase of certain vehicles will result in a loss to the Company, calculated as the difference between the repurchase price and the predicted market value, full provision is made for the amount of the loss as soon as it has been identified The provision is held against the related asset on the balance sheet

BP CAR FINANCE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012	2011
		£000	£000
Turnover	1	1,480	2,590
Cost of sales		4 538	461
Gross profit		6 018	3,051
Administration expenses		(1,457)	(2,205)
Other operating income	4	1,586	3,731
Operating profit	2	6 147	4 577
Profit on disposal of fixed assets	5	293	61
Profit on ordinary activities before interest and taxation		6,440	4 638
Interest receivable and similar income	6	339	301
Profit before taxation		6,779	4,939
Taxation	7	-	-
Profit for the year		6,779	4 939

The profit of £6,779,000 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 profit for the year

BP CAR FINANCE LIMITED
(Registered No 00651878)

BALANCE SHEET AT 31 DECEMBER 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	**9**	82	411
Current assets			
Debtors – amounts falling due			
within one year	**10**	80.570	72 995
after one year	**10**	24	536
Cash at bank and in hand		-	210
		80 594	73 741
Creditors. amounts falling due within one year	**11**	(164)	(419)
Net current assets		80 430	73 322
NET ASSETS		80.512	73.733
Represented by			
Capital and reserves			
Called up share capital	**12**	85 903	85 903
Profit and loss account	**13**	(5 391)	(12 170)
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		80.512	73 733

On behalf of the Board

D J Bucknall
Director
12 September 2013

BP CAR FINANCE LIMITED

NOTES TO THE ACCOUNTS

1. Turnover

Turnover which is stated net of value added tax represents vehicle finance interest income all of which falls within the UK geographical area

2. Operating profit

This is stated after charging / (crediting)

	2012	2011
	£000	£000
Depreciation of owned fixed assets	203	272
Reversal of provision for residual values	(6,524)	(1,994)

3. Auditor's remuneration

	2012	2011
	£000	£000
Fees for the audit of the company	5	9

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

4 Other operating income

	2012	2011
	£000	£000
Maintenance income	552	1 083
Recoveries from group companies	1,034	1 482
Indirect tax refund	-	1,166
	1 586	3,731

5. Exceptional items

Exceptional items comprise the profit on disposal of fixed assets as follows

	2012	2011
	£000	£000
Profit on disposal of fixed assets	293	61

There is no tax effect on this disposal

6. Interest receivable and similar income

	2012	2011
	£000	£000
Interest income from group undertaking	339	301

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 profit before taxation

	2012	2011
	£000	£000
Profit before taxation	6 779	4,939
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)	
Free group relief	(23)	(26)
Effective current tax rate	-	-

8. 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)

BP CAR FINANCE LIMITED

NOTES TO THE ACCOUNTS

9. Tangible assets

	Motor vehicles
Cost	£000
At 1 January 2012	2 261
Disposals	(819)
At 31 December 2012	1 442
Depreciation	
At 1 January 2012	(1,850)
Charge for the year	(203)
Disposals	693
At 31 December 2012	(1,360)
Net book value	
At 31 December 2012	82
At 31 December 2011	411
Principal rate of depreciation	25%

10. Debtors

	2012 Within 1 year £000	2012 After 1 year £000	2011 Within 1 year £000	2011 After 1 year £000
Trade debtors	2,289	24	4,511	536
Amount owed by group undertaking	77,463	-	65 152	-
Deferred capital discounts	468	-	2 188	-
Other debtors	350	-	1,144	-
	80,570	24	72 995	536

11 Creditors

	2012 Within 1 year £000	2011 Within 1 year £000
Amounts owed to group undertakings	107	344
Other creditor	57	75
	164	419

BP CAR FINANCE LIMITED

NOTES TO THE ACCOUNTS

12. Called up share capital

	2012	2011
	£000	£000
Allotted called up and fully paid		
85 902 500 Ordinary shares of £1 each for a total nominal value of £85,902,500	85 903	85,903

13 Capital and reserves

	Called up share capital	Profit and loss account	Total
	£000	£000	£000
At 1 January 2012	85,903	(12,170)	73,733
Profit for the year	-	6,779	6,779
At 31 December 2012	85,903	(5 391)	80,512

14. Reconciliation of movements in shareholders' funds

	2012	2011
	£000	£000
Profit for the year	6 779	4,939
Net increase in shareholders' funds	6,779	4,939
Shareholders' funds at 1 January	73 733	68 794
Shareholders' funds at 31 December	80 512	73 733

15. Related party transactions

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 "Related Party Disclosures", and has not disclosed transactions entered into with group companies There were no other related party transactions in the year

16. Pensions

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

17. Immediate and ultimate controlling parent undertaking

The immediate and 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