

**BRITANNIC INVESTMENTS IRAQ LIMITED**

**(Registered No 08116088)**

**ANNUAL REPORT AND ACCOUNTS 2012**

Board of Directors

A H Haywood

C J Mendes

P J Reed

M J O'Sullivan

**REPORT OF THE DIRECTORS**

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

**Results and dividends**

There has been no income or expenditure and accordingly, no profit and loss account has been prepared

The company has not declared any dividends during the period. The directors do not propose the payment of a dividend.

**Principal activity and review of the business**

The company was incorporated on 22 June 2012 for the purpose of holding investments in Iraq.

There were no other activities during the financial period apart from the movement in share capital.

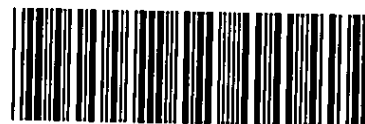
No key financial and other performance indicators have been identified for this company.

**Principal risks and uncertainties**

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

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

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



## **BRITANNIC INVESTMENTS IRAQ LIMITED**

### **REPORT OF THE DIRECTORS**

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

##### **Gulf of Mexico oil spill**

The Gulf of Mexico oil spill has had and could continue to have a material adverse impact on BP as a group, and consequently may also have an adverse impact on Britannic Investments Iraq Limited

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

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

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

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

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

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

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

**BRITANNIC INVESTMENTS IRAQ LIMITED**

**REPORT OF THE DIRECTORS**

**Directors**

The present directors are listed on page 1

Directors A H Haywood, C J Mendes and P J Reed were appointed on 22 June 2012 and served as directors throughout the financial period

Changes in directors since 22 June 2012 as follow

	Appointed	Resigned
J M Mies	22 June 2012	1 February 2013
M J O'Sullivan	1 February 2013	-

**Directors' indemnity**

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

**BRITANNIC INVESTMENTS IRAQ LIMITED**

**REPORT OF THE DIRECTORS**

**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

**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

26 APRIL

2013

Registered Office

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **BRITANNIC INVESTMENTS IRAQ 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.

**BRITANNIC INVESTMENTS IRAQ LIMITED**

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

We have audited the financial statements of Britannic Investments Iraq Limited for the period ended 31 December 2012 which comprise the Balance Sheet, the accounting policies and the related notes 1 to 10. 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,
- 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 period 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

*20 April* 2013

## **BRITANNIC INVESTMENTS IRAQ LIMITED**

### **ACCOUNTING POLICIES**

#### **Accounting standards**

The financial statements of Britannic Investment Iraq Limited were approved for issue by the Board of Directors on 25 April 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

#### **Other debtors**

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

**BRITANNIC INVESTMENTS IRAQ LIMITED****(Registered No 08116088)****BALANCE SHEET AT 31 DECEMBER 2012**

	Note	<u>2012</u>
		<u>\$</u>
<b>Current assets</b>		
Debtors	4	<u>1,700,000</u>
<b>NET ASSETS</b>		<u>1,700,000</u>
<b>Represented by</b>		
<b>Capital and reserves</b>		
Called up share capital	5	<u>1,700,000</u>
<b>SHAREHOLDERS' FUNDS – EQUITY</b>		
<b>INTERESTS</b>		<u>1,700,000</u>

On behalf of the Board



M J O'Sullivan

Director

26 APRIL

2013



**BRITANNIC INVESTMENTS IRAQ LIMITED****NOTES TO THE ACCOUNTS****1. Activity**

The Company was not in operation during the financial period. No profit and loss account has been prepared.

**2. Auditor's remuneration**

From 22  
June 2012 to  
31 December  
2012

Fees for the audit of the company

\$  
5,313

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 Britannic Investments Iraq 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. Directors and employees****(a) Remuneration of directors**

None of the directors received any fees or remuneration for services as directors of the company during the financial period.

**(b) Employee costs**

The company had no employees during the period.

**4. Debtors**

2012

Within

1 year

\$

Amounts owed by group undertakings

1,700,000

**5. Called up share capital**

2012

\$

Allotted, called up and fully paid

1,700,000 Ordinary shares of \$1 each for a total nominal value of

\$1,700,000

1,700,000

On 22 June 2012, 1,700,000 ordinary shares of \$1 each for a total nominal value of \$1,700,000 were allotted to the immediate parent company at par value.

**BRITANNIC INVESTMENTS IRAQ LIMITED****NOTES TO THE ACCOUNTS****6. Capital and reserves**

	<u>Called up share capital</u>
	\$
At 22 June and 31 December 2012	<u>1,700,000</u>

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

	<u>2012</u>
	\$
Shareholders' funds at 22 June and 31 December	<u>1,700,000</u>

**8. 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 period.

**9. Pensions**

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

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

The immediate parent undertaking is Britannic Strategies Limited, a company registered in Scotland. The ultimate controlling parent undertaking is BP plc, a company registered in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of BP plc can be obtained from 1 St James's Square, London, SW1Y 4PD.