

**BP CHEMICALS INVESTMENTS LIMITED**

**(Registered No 00304682)**

**ANNUAL REPORT AND ACCOUNTS 2012**

Board of Directors

R M Stott

T M Thornton

N R Elmslie

**REPORT OF THE DIRECTORS**

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

**Results and dividends**

The profit for the year after taxation was £90,058,000 which, when added to the retained profit brought forward at 1 January 2012 of £68,793,000, gives a total retained profit carried forward at 31 December 2012 of £158,851,000

The company has not declared any dividends during the year (2011 £150,000,000) The directors do not propose the payment of a dividend

**Principal activity and review of the business**

The company acts as an intermediate holding company, holding certain investments in European and Far Eastern chemical companies

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 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 Chemicals Investments Limited



## **BP CHEMICALS INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

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

##### **Gulf of Mexico oil spill (continued)**

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.

#### **Strategic and commercial 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 or may experience in the future political instability, changes to the regulatory environment, expropriation or nationalisation of property, civil strife, strikes, acts of war and insurrections. Any of these conditions occurring could disrupt or terminate the company's operations, causing its development activities to be curtailed or terminated in these areas or its production to decline, could limit the company's ability to pursue new opportunities, could affect the recoverability of its assets and could cause it to incur additional costs.

##### ***Joint ventures and other contractual arrangements***

Many of the company's major projects and operations are conducted through joint ventures and through contracting and sub-contracting arrangements. 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.

## **BP CHEMICALS INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

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

##### **Strategic and commercial risks (continued)**

###### ***Joint ventures and other contractual arrangements (continued)***

The company's partners may have economic or business interests or objectives that are inconsistent with, or opposed to, those of the company's and may exercise veto rights to block certain key decisions or actions that the company believes are in its or the joint venture's best interest, or approve such matters without the company's consent

Additionally, the company's joint venture partners or contractual counterparties 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 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

###### ***Investment efficiency***

The company's organic growth is dependent on creating a portfolio of quality options and investing in the best options. Ineffective investment selection and development could lead to loss of value and higher capital expenditure

##### **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

## **BP CHEMICALS INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

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

##### **Financial risk management**

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

##### **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.

R C Harrington, R M Stott and N R Elmslie served as directors throughout the financial year. Changes since 1 January 2012 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
R C Harrington	-	3 June 2013
T M Thornton	3 June 2013	-

**BP CHEMICALS INVESTMENTS LIMITED**

**REPORT OF THE DIRECTORS**

**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.

**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

3 SEPTEMBER 2013

Registered Office

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **BP CHEMICALS INVESTMENTS 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 CHEMICALS INVESTMENTS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BP CHEMICALS INVESTMENTS LIMITED**

We have audited the financial statements of BP Chemicals Investments 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 15. 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 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 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

*6 September 2013*

## **BP CHEMICALS INVESTMENTS LIMITED**

### **ACCOUNTING POLICIES**

#### **Accounting standards**

The financial statements of BP Chemicals Investments Limited were approved for issue by the Board of Directors on 21<sup>st</sup> AUGUST 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

#### **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 plc., a company registered in England and Wales. These 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**

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.

#### **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.

## **BP CHEMICALS INVESTMENTS LIMITED**

### **ACCOUNTING POLICIES**

#### **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.

#### **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.

#### **Other creditors**

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

**BP CHEMICALS INVESTMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
Dividend income		92,448	-
Administration expenses		(2,277)	(5,123)
Operating profit/loss		90,171	(5,123)
Profit on disposal of fixed assets – investment		-	6,265
Profit on ordinary activities before interest and taxation	1	90,171	1,142
Interest payable and similar charges	3	(113)	-
Interest receivable and similar income	4	-	556
Profit before taxation		90,058	1,698
Taxation	5	-	-
Profit for the year		90,058	1,698

The profit of £90,058 000 for the year ended 31 December 2012 was derived in its entirety from continuing operations

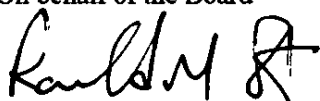
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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

**BP CHEMICALS INVESTMENTS LIMITED****(Registered No 00304682)****BALANCE SHEET AT 31 DECEMBER 2012**

	Note	<u>2012</u> £000	<u>2011</u> £000
<b>Fixed assets</b>			
Investments	7	126,627	126,627
<b>Current assets</b>			
Debtors	8	114,132	22,303
Creditors: amounts falling due within one year	9	<u>(44,786)</u>	<u>(43,015)</u>
Net current assets / (liabilities)		<u>69,346</u>	<u>(20,712)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>195,973</u>	<u>105,915</u>
<b>NET ASSETS</b>		<u>195,973</u>	<u>105,915</u>
<b>Represented by</b>			
Capital and reserves			
Called up share capital	10	37,122	37,122
Profit and loss account	11	158,851	68,793
<b>SHAREHOLDERS' FUNDS – EQUITY INTERESTS</b>		<u>195,973</u>	<u>105,915</u>

On behalf of the Board

Ronald M Stott  
Director

3 September 2013

**BP CHEMICALS INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**1. Profit on ordinary activities before interest and taxation**

This is stated after charging / (crediting)

	<u>2012</u>	<u>2011</u>
	£000	£000
Gain on the disposal of investment	-	(6,265)
Currency exchange (gains) / losses	<u>(1,310)</u>	<u>220</u>

In June 2006, BP Chemicals (Ireland) Limited ceased its trading activity and in April 2011 it went into liquidation the disposal of the investment in BP Chemicals (Ireland) Limited resulted in a gain of £6,265,000 being recognised in the profit and loss account

**2. Auditor's remuneration**

	<u>2012</u>	<u>2011</u>
	£000	£000
Fees for the audit of the company	<u>9</u>	<u>9</u>

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of BP Chemicals Investments Limited's ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis

**3. Interest payable and similar charges**

	<u>2012</u>	<u>2011</u>
	£000	£000
Interest expense on loans from group undertakings	<u>113</u>	<u>-</u>

**4. Interest receivable and similar income**

	<u>2012</u>	<u>2011</u>
	£000	£000
Interest income from group undertakings	<u>-</u>	<u>556</u>

**5. 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.

**BP CHEMICALS INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**5. Taxation (continued)**

	<u>2012</u>	<u>2011</u>
	<u>£000</u>	<u>£000</u>
Profit before taxation	90,058	1,698
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2012</u>	<u>2011</u>
	<u>%</u>	<u>%</u>
UK statutory corporation tax rate	24	26
(Decrease) / Increase resulting from		
Non-deductible expenditure / non-taxable income	(24)	(57)
Free group relief	-	31
Effective current tax rate	<u>-</u>	<u>-</u>

**6. 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 year (2011: £Nil)

**(b) Employee costs**

The company had no employees during the year (2011: Nil)

**BP CHEMICALS INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**7. Investments**

	Subsidiary shares	Joint venture shares	Total
	£000	£000	£000
<b>Cost</b>			
At 1 January 2012 / At 31 December 2012	<u>87,516</u>	<u>39,211</u>	<u>126,727</u>
<b>Impairment losses</b>			
At 1 January 2012 / At 31 December 2012	<u>(100)</u>	<u>-</u>	<u>(100)</u>
<b>Net book amount</b>			
At 31 December 2012	<u>87,416</u>	<u>39,211</u>	<u>126,627</u>
At 31 December 2011	<u>87,416</u>	<u>39,211</u>	<u>126,627</u>

The investments in the subsidiary and associated undertakings 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.

<b>Subsidiary undertakings</b>	<b>Class of share held</b>	<b>%</b>	<b>Country of incorporation</b>	<b>Principal activity</b>
BP Chemicals Trading Limited	Ordinary	100	England and Wales	Chemicals
BP Chemicals Limited	Ordinary	100	England and Wales	Chemicals
BP Aromatics Holdings Limited	Ordinary	100	England and Wales	Chemicals
<b>Joint ventures</b>	<b>Class of share held</b>	<b>%</b>	<b>Principal place of business</b>	<b>Principal activities</b>
Yangtze River Acetyls Co., Ltd	Ordinary	51	China	Chemicals
BP YPC Acetyls Company (Nanjing) Limited	Ordinary	50	China	Chemicals

**8. Debtors**

	2012	2011
	Within 1 year	Within 1 year
	£000	£000
Amounts owed by group undertakings	<u>114,132</u>	<u>22,303</u>

**BP CHEMICALS INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**9. Creditors**

	<u>2012</u>	<u>2011</u>
	Within	Within
	1 year	1 year
	£000	£000
Amounts owed to group undertakings	44,598	43,015
Accruals and deferred income	188	-
	<u>44,786</u>	<u>43,015</u>

**10. Called up share capital**

	<u>2012</u>	<u>2011</u>
	£000	£000
Allotted, called up and fully paid		
37,122,000 Ordinary shares of £1 each for a total nominal value of £37,122,000	<u>37,122</u>	<u>37,122</u>

**11. Capital and reserves**

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	£000	£000	£000
At 1 January 2012	37,122	68,793	105,915
Profit for the year	-	90,058	90,058
At 31 December 2012	<u>37,122</u>	<u>158,851</u>	<u>195,973</u>

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

	<u>2012</u>	<u>2011</u>
	£000	£000
Profit for the year	90,058	1,698
Dividends – current year interim paid	-	(150,000)
Net increase / (decrease) in shareholders' funds	<u>90,058</u>	<u>(148,302)</u>
Shareholders' funds at 1 January	105,915	254,217
Shareholders' funds at 31 December	<u>195,973</u>	<u>105,915</u>

**13. 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.

**BP CHEMICALS INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**14. Pensions**

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

**15. 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.