BP INTERNATIONAL LIMITED
(Registered No. 00542515)

ANNUAL REPORT AND ACCOUNTS 2013

Board of Directors:	R C Harrington
	B Gilvary
	D J Bucknall
	J H Bartlett

The directors present the strategic report, their report and the accounts for the year ended 31 December 2013.

STRATEGIC REPORT

Results

The profit for the year after taxation was $16,827 million which, when added to the retained profit brought forward at 1 January 2013 of $2,134 million together with exchange adjustments taken directly to reserves of $23 million and total paid interim dividends to ordinary shareholders of $12,425 million, gives a total retained profit carried forward at 31 December 2013 of $6,559 million.

Principal activities and review of the business

The company, which is based in the UK, is engaged internationally in oil, petrochemicals and related financial activities. It also provides services to other group undertakings and holds investments in subsidiary and associated undertakings engaged in similar activities.

Refining and Marketing activities include the results of certain international business sectors with head offices in the United Kingdom. These businesses showed an operating loss for the year of $52 million (2012: loss of $90 million).

The operating profit from corporate and other activities of $16,797 million (2012: $2,362 million) includes dividends from subsidiary and associated undertakings of $41,690 million (2012: $3,193 million).

During the year, $24,754 million (2012: $45 million) was provided against the cost of investments. No impairment provisions recorded previously were reversed during the year (2012: $Nil).

Principal activities and review of the business (continued)

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

	2013	2012	Variance
	$ million	$ million	%
Turnover	102,565	94,687	8
Operating profit	16,745	2,272	637
Profit after taxation	16,827	2,363	612
Shareholders' funds	43,673	39,248	11

	2013	2012	Variance
	%	%	%
Quick ratio*	101	73	38

*Quick ratio is defined as current assets, excluding stock and financial assets due after one year, as a percentage of current liabilities.

Turnover has increased primarily due to increases in sales volumes in both crude oil and oil product books.

Operating profit has risen significantly in comparison with the prior year. This is primarily due to an increase in dividends from subsidiaries of $38,497 million which more than offset the increase in impairment losses of $24,709 million.

Shareholders' funds have remained at a similar level to the prior year, despite the profit for the year, since a dividend of $12,425 million (2012: $2,850 million) was also paid.

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; safety and operational; and financial risk management. In addition, we have set out one separate risk for your attention – the risk resulting from the 2010 Gulf of Mexico oil spill.

Principal risks and uncertainties (continued)

Gulf of Mexico oil spill

The Gulf of Mexico oil spill (the Incident) 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 International Limited.

There is significant uncertainty regarding the extent and timing of the remaining costs and liabilities relating to 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, fines and penalties that become payable by the BP group (including as a result any ultimate 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.

These uncertainties are likely to continue for a significant period, increase the risks to which the group is exposed and may cause BP group's costs to increase materially. 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, and subsequently the company, 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 2013.

Strategic and commercial risks

Prices and markets
Oil, gas and product prices and margins can be very volatile, and are subject to international supply and demand. Political developments (including conflict situations), increased supply from the development of new oil and gas sources, technological change, global economic conditions and the influence of OPEC can particularly affect world supply and oil prices. Previous oil price increases have resulted in increased fiscal take, cost inflation and more onerous terms for access to resources. As a result, increased oil prices may not improve margin performance. Decreases in oil, gas or product prices are likely to have an adverse effect on revenues, margins and profitability, and a material rapid change, or a sustained change, in oil, gas or product prices may mean investment or other decisions need to be reviewed, assets may be impaired, and the viability of projects may be affected.

Refining profitability can be volatile, with both periodic over-supply and supply tightness in various regional markets, coupled with fluctuations in demand. Sectors of the petrochemicals industry are also subject to fluctuations in supply and demand, with a consequent effect on prices and profitability.

Periods of global recession or prolonged instability in financial markets could negatively impact parties with whom the company does or may do business with, the demand for the company's products, the prices at which they can be sold and could affect the viability of the markets in which the company operates.

Principal risks and uncertainties (continued)

Strategic and commercial risks (continued)

Climate change and carbon pricing
Compliance with changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, taxes, reduced profitability from changes in operating costs, potential restrictions on the commercial viability of, or the company's ability to progress, upstream resources and reserves, and impacts on revenue generation and strategic growth opportunities.

Geopolitical
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 BP group has operations, and are seeking new opportunities, 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, changes in taxes, expropriation or nationalisation of property, civil strife, strikes, acts of terrorism, acts of war and insurrections. Any of these conditions occurring could disrupt or terminate the BP group's operations, causing its development activities to be curtailed or terminated in these areas or its production to decline, could limit the BP group's ability to pursue new opportunities, could affect the recoverability of its assets and could cause it to incur additional costs. In particular, the BP group's investments in the US, Russia and Thailand could be adversely affected by heightened political and economic environment risks.

Competition
The company's strategy depends upon continuous innovation in a highly competitive market.

The oil, gas and petrochemicals industries are highly competitive. There is strong competition, both within the oil and gas industry and with other industries, in supplying the fuel needs of commerce, industry and the home. Competition puts pressure on the terms of access to new opportunities, licence costs and product prices, affects oil products marketing and requires continuous management focus on improving efficiency, while ensuring safety and operational risk is not compromised. The implementation of the BP group strategy requires continued technological advances and innovation including advances in exploration, production, refining, petrochemicals manufacturing technology and advances in technology related to energy usage. The company's performance could be impeded if competitors developed or acquired intellectual property rights to technology that it required or by its failure to adequately protect the company's brands and trademarks. The company's competitive position in comparison to its peers could be adversely affected if it fails to control its operating costs or manage its margins, or if it fails to sustain, develop and operate efficiently a high quality portfolio of assets.

Joint ventures and other contractual arrangements
Many of the BP group's major projects and operations are conducted through joint ventures or associates and through contracting and sub-contracting arrangements. These arrangements often involve complex risk allocation, decision-making processes and indemnification arrangements, and the BP group has less control of such activities than it would have if it had full ownership and operational control.

Principal risks and uncertainties (continued)

Strategic and commercial risks (continued)

Joint ventures and other contractual arrangements (continued)
The BP group's partners may have economic or business interests or objectives that are inconsistent with, or opposed to, those of the BP group's and may exercise veto rights to block certain key decisions or actions that the BP group believes are in its or the joint venture's or associate's best interest, or approve such matters without the BP group's consent.

Additionally, the BP group's joint venture partners or associates 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 BP group's joint venture partners or associates may not be able to meet their financial or other obligations to their counterparties or to the relevant project, potentially threatening the viability of such projects.

Furthermore, should accidents or incidents occur in operations in which the company participates, whether as operator or otherwise, and where it is held that the company's sub-contractors or joint venture partners are legally liable to share any aspects of the cost of responding to such incidents, the financial capacity of these third parties may prove inadequate to fully indemnify the company against the costs it incurs on behalf of the joint venture or contractual arrangement. Should a key sub-contractor, such as a lessor of drilling rigs, be no longer able to make these assets available to the company, this could result in serious disruption to its operations. Where the company does not have operational control of a venture, the company may nonetheless still be pursued by regulators or claimants in the event of an incident.

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

Digital infrastructure
The reliability and security of the company's digital infrastructure are critical to maintaining the availability of its business applications, including the reliable operation of technology in its various business operations and the collection and processing of financial and operational data, as well as the confidentiality of certain third-party information. A breach of the company's digital security or failure of its digital infrastructure, due to intentional actions such as cyber-attacks, negligence or otherwise, could cause serious damage to business operations and, in some circumstances, could result in the loss of data or sensitive information, injury to people, loss of control or damage to assets, harm to the environment, reputational damage, breaches of regulations, litigation, legal liabilities and reparation costs.

Crisis management, business continuity and disaster recovery
Crisis management and contingency plans are required to respond to, and to continue or recover operations, following a disruption or incident. If the company does not respond, or is perceived not to respond, in an appropriate manner to either an external or internal crisis, its business and operations could be severely disrupted. Inability to restore or replace critical capacity to an agreed level within an agreed timeframe would prolong the impact of any disruption and could severely affect business and operations.

Principal risks and uncertainties (continued)

Strategic and commercial risks (continued)

People and capability
Successful recruitment of new staff, employee training, development and continuing enhancement of skills, in particular technical capabilities such as petroleum engineers and scientists, are key to implementing the company's plans. Inability to develop and retain human capacity and capability, both across the organisation and in specific operating locations, could jeopardise performance delivery. The company relies on recruiting and retaining high-quality employees to execute its strategic plans and to operate its business.

Compliance and control risks

Regulatory
The oil industry in general is subject to regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling obligations, environmental, health and safety controls, controls over the development and decommissioning of a field (including restrictions on production) and, possibly, nationalisation, expropriation, cancellation or non-renewal of contract rights

The oil industry is also subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities, and operates in certain tax jurisdictions that have a degree of uncertainty relating to the interpretation of, and changes to, tax law.

The company remains exposed to changes in the regulatory environment, such as new laws and regulations (whether imposed by international treaty or by national or local governments in the jurisdiction in which it operates), changes in tax or royalty regimes, price controls, the imposition of trade or other sanctions, government actions to cancel or renegotiate contracts or other factors. Governments are facing great pressure on public finances, which may increase their motivation to intervene in the fiscal and regulatory frameworks of the oil and gas industry and we remain exposed to increases in amounts payable to governments or government agencies. Such factors could reduce the company's profitability from operations in certain jurisdictions, limit its opportunities for new access, require it to divest or write-down certain assets or curtail certain operations, or affect the adequacy of its provisions, tax, environmental and legal liabilities. Potential changes to pension or financial market regulation could also impact funding requirements of the company.

The company buys, sells and trades oil and gas products in certain regulated commodity markets. Failure to respond to changes in or to comply with trading regulations could result in regulatory action and damage to the company's reputation.

Ethical misconduct and non-compliance
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.

Principal risks and uncertainties (continued)

Compliance and control risks (continued)

Liabilities and provisions
The BP group's potential liabilities resulting from pending and future claims, lawsuits, settlements and enforcement actions relating to the Incident, together with the potential cost and burdens of implementing remedies sought in the various proceedings, 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 2013.

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.

Treasury and trading activities
In the normal course of business, the company is subject to operational risk around its treasury and trading activities. Control of these activities is highly dependent on the company's ability to process, manage and monitor a large number of complex transactions across many markets and currencies. Shortcomings or failures in the company's systems, risk management methodology, internal control processes or people could lead to disruption of its business, financial loss, regulatory intervention or damage to its reputation.

Safety and operational risks

Process safety, personal safety and environmental risks
The nature of the company's operations exposes it to a wide range of significant health, safety, security and environmental risks. The scope of these risks is influenced by the geographic range, operational diversity and technical complexity of the company's activities.

There are risks of technical integrity failure as well as risk of natural disasters and other adverse conditions in many of the areas in which the company operates, which could lead to loss of containment of hydrocarbons and other hazardous material, as well as the risk of fires, explosions or other incidents.

Security
Security threats require continuous oversight and control. Acts of terrorism, piracy, sabotage, cyber-attacks and similar activities directed against the company's operations and offices, pipelines, transportation or computer systems could cause harm to people and could severely disrupt business and operations. The company's business activities could also be severely disrupted by, amongst other things, conflict, civil strife or political unrest in areas where the company operates.

Product quality
Supplying customers with on-specification products is critical to maintaining the company's licence to operate and its reputation in the marketplace. Failure to meet product quality standards throughout the value chain could lead to harm to people and the environment and loss of customers.

Principal risks and uncertainties (continued)

Financial risk management

The main financial risks faced by the BP group which arise from natural business exposures, as well as its use of financial instruments, are market risks relating to commodity prices, foreign currency exchange rates and interest rates; credit risk; and liquidity risk. The management of these financial risks is performed at BP group level. The BP group 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 BP group'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. The primary commodity price risks that the company is exposed to include oil, natural gas and power prices that could adversely affect the value of the company's financial assets, liabilities or expected future cash flows. The company enters into derivatives in a well-established entrepreneurial trading operation. In addition, the BP 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.

The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk, each of which is discussed below.

(i) Commodity price risk

The BP group's integrated supply and trading function uses conventional financial and commodity instruments and physical cargoes available in the related commodity markets. Oil and natural gas swaps, options and futures are used to mitigate price risk. Power trading is undertaken using a combination of over-the-counter forward contracts and other derivative contracts, including options and futures. This activity is on both a standalone basis and in conjunction with gas derivatives in relation to gas-generated power margin.

(ii) 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 currency exchange management policy is to limit economic and material transactional exposures arising from currency movements against the US dollar. The BP 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 currency exchange risks. For highly probable forecast capital expenditures the group locks in the US dollar cost of non US dollar supplies by using currency forwards and futures.

Crude oil prices are generally set in US dollars, while sales of refined products may be in a variety of currencies. Fluctuations in exchange rates can therefore give rise to foreign currency exchange exposures, with a consequent impact on underlying costs and revenues.

Principal risks and uncertainties (continued)

Financial risk management (continued)

(iii) Interest rate risk
Where the company enters into money market contracts for entrepreneurial trading purposes, the activity is controlled at BP group level using value-at-risk techniques.

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 and arises from cash and cash equivalents, derivative financial instruments and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. The management of such risks is performed at BP group level. The BP group has a credit policy, approved by the CFO, which is designed to ensure that consistent processes are in place throughout the group to measure and control credit risk. Credit risk is considered as part of the risk-reward balance of doing business. On entering into any business contract the extent to which the arrangement exposes the group to credit risk is considered.

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. The group has long-term debt ratings of A from Standard & Poor's, and A2 from Moody's Investor Services. On 8 September 2014, Moody's affirmed the A2 long-term debt rating of BP p.l.c. but changed the outlook from stable to negative. On 9 September 2014, S&P affirmed the A long-term debt rating of BP p.l.c. but revised the outlook from positive to stable.

By Order of the Board

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

29 September 2014

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

BP INTERNATIONAL LIMITED

DIRECTORS' REPORT

Directors

The present directors are listed on page 1.

There have been no director appointments or resignations since 1 January 2013.

2 **Directors' indemnity**

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Such qualifying third party indemnity provisions for the benefit of the company's directors remain in force at the date of this report.

Dividends

During the year the company has declared and paid dividends of $12,425 million (2012: $2,850 million). The directors do not propose the payment of a final dividend.

Financial instruments

In accordance with section 414C of the Companies Act 2006 the directors have included information regarding financial instruments as required by Schedule 7 (Part 1.6) of the Large and Medium Companies and Group Regulations 2008 in the strategic report under Financial risk management.

Post balance sheet events

After the balance sheet date:

- the company's immediate parent company BP p.l.c. subscribed for an additional 3,010,234,798 Ordinary Shares of £1.00 each at par value in the capital of the company for a total consideration of US$5,000,000,000;

- the company has issued a guarantee under which the maximum aggregate liability is $1,450,000,000, which relates to obligations under commodity trading activities of its subsidiaries; and

- the company subscribed for additional Ordinary Shares of £1.00 each at par value in the capital of its immediate subsidiary BP Exploration Company Limited for an aggregate amount of US$2,850,000,000.

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.

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 INTERNATIONAL LIMITED

DIRECTORS' REPORT

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

29 September 2014

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Strategic Report, 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 INTERNATIONAL LIMITED

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

We have audited the financial statements of BP International Limited for the year ended 31 December 2013 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 29. 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 12, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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 Strategic Report and 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

Paul Wallek (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London
30 September 2014

BP INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013	2012
		$ million	$ million
Turnover	2	102,565	94,687
Cost of sales		(101,674)	(94,634)
Gross profit		891	53
Distribution and administration expenses		(26,013)	(1,135)
Other operating income	5	41,867	3,354
Operating profit	3	16,745	2,272
Interest payable and similar charges	6	(1,972)	(2,061)
Interest receivable and similar income	7	1,763	2,018
Profit before taxation		16,536	2,229
Taxation	8	291	134
Profit for the year		16,827	2,363

The profit of $16,827 million for the year ended 31 December 2013 was derived in its entirety from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	$ million	$ million
Profit for the year	16,827	2,363
Currency translation differences	20	83
Movement in the mark to market of cash flow hedges	3	-
Total recognised gains and losses for the year	16,850	2,446

BP INTERNATIONAL LIMITED
(Registered No. 00542515)

BALANCE SHEET AT 31 DECEMBER 2013

	Note	2013 $ million	2012 $ million
Fixed assets			
Intangible assets	**10**	199	208
Tangible assets	**11**	1,049	1,010
Investments	**12**	48,219	63,057
		49,467	64,275
Current assets			
Stocks	**13**	3,207	2,723
Debtors – amounts falling due:			
within one year	**14**	81,207	59,044
after one year	**14**	49,709	63,360
Derivatives and other financial instruments due:			
within one year	**18**	516	800
after one year	**18**	848	1,721
Cash at bank and in hand		19,577	16,696
		155,064	144,344
Creditors: amounts falling due within one year			
Creditors	**15**	(99,651)	(104,010)
Derivatives and other financial instruments	**18**	(236)	(316)
Net current assets		55,177	40,018
TOTAL ASSETS LESS CURRENT LIABILITIES		104,644	104,293
Creditors: amounts falling due after more than one year			
Creditors	**15**	(60,146)	(63,990)
Derivatives and other financial instruments	**18**	(458)	(424)
Provisions for liabilities and charges			
Deferred tax	**8**	(222)	(523)
Other provisions	**19**	(145)	(108)
NET ASSETS		43,673	39,248
Represented by			
Capital and reserves			
Called up share capital	**20**	37,114	37,114
Profit and loss account	**21**	6,559	2,134
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		43,673	39,248

The financial statements of BP International Limited were approved for issue by the Board of Directors on 26 September 2014 and were signed on its behalf by:

J H Bartlett
Director

29 September 2014

1. Accounting policies

Accounting standards

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

The principal accounting policies are set out below and have been applied consistently throughout the year.

Accounting convention

The accounts are prepared under the historical cost convention, except for certain financial instruments which are accounted for at fair value (see accounting policy on derivative financial instruments below).

Cash flow statement and related party disclosures

The group accounts of the ultimate parent undertaking, which are publicly available, contain a consolidated cash flow statement. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash Flow Statements" (Revised 1996). The company is also exempt under the terms of FRS 8 "Related Party Disclosures" from disclosing related party transactions with entities that are wholly-owned members of the BP group. For details of other related party transactions see note 25.

Group accounts

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

Comparative figures

In the comparative balance sheet an amount of $1.3 billion has been re-classified from 'finance debt' to 'creditors – amounts owed to group undertakings' as this presentation better represents the nature of the balances concerned.

Revenue recognition

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.

Where the company acts as agent on behalf of a third party to procure or market energy commodities, any associated fee income is recognised but no purchase or sale is recorded. Additionally, where forward sale and purchase contracts for oil, natural gas or power have been determined to be for trading purposes, the associated sales and purchases are reported net within sales and other operating revenues whether or not physical delivery has occurred.

1. Accounting policies (continued)

Dividend income

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

Foreign currency transactions

Functional currency is the primary economic environment in which an entity or an operation of an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Foreign currency transactions are initially recorded in the functional currency of the operation by applying the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated into the functional currency at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are included in the profit and loss account, except for those which arise on long-term foreign currency borrowings used to finance the company's non US dollar investment in foreign operations which are recorded within equity. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition.

Assets and liabilities of foreign operations, which have a functional currency other than US dollars, are translated into US dollars, the presentational currency, at rates of exchange ruling at the balance sheet date. The profit and loss account is translated into US dollars using average rates of exchange. Exchange differences arising when the opening net assets and the profits for the year retained by foreign operations are translated into US dollars are taken directly to reserves and reported in the statement of total recognised gains and losses.

Derivative and other financial instruments

The company is exempt from the disclosure requirements of FRS 29 "Financial Instruments: Disclosures" as the company is included in the consolidated accounts of the ultimate parent undertaking, BP p.l.c., which include the disclosures on a group basis that comply with this standard.

Financial assets are measured initially and subsequently at amortised cost. Financial liabilities are measured initially at the amount of the net proceeds. Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

The company uses derivative financial instruments (derivatives) to manage certain exposures to fluctuations in foreign currency exchange rates and interest rates, and to manage some of its margin exposure from changes in oil, natural gas and power prices.

All derivatives which are held for trading purposes and all oil price and natural gas price derivatives held for risk management purposes are held on the balance sheet at fair value ('marked to market') with changes in that value recognised in earnings for the year.

Interest rate swap agreements, options and futures contracts are used to manage interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as adjustments to interest expense over the period of the contracts.

1. Accounting policies (continued)

Derivative and other financial instruments (continued)

As part of exchange rate risk management, foreign currency swap agreements and forward contracts are used to convert non-US dollar borrowings into US dollars. Gains and losses on those derivatives are deferred and recognised on maturity of the underlying debt, together with the matching loss or gain on the debt. Foreign currency forward contracts and options are used to hedge significant non-US dollar firm commitments for fair-value hedges or highly probable anticipated transactions. Gains and losses on these contracts and option premium paid are also deferred and recognised in the profit and loss account or as adjustments to carrying amounts, as appropriate, when the hedged transaction occurs.

Research

Expenditure on research is written off in the year in which it is incurred.

Interest expense

Interest costs are not capitalised and are charged in the profit and loss account in the year in which they are 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.

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the purchase consideration of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities acquired. Goodwill has an indefinite useful life and as a result no amortisation is charged. An impairment review is performed annually.

Intangible assets

Intangible assets include expenditure on computer software, patents, licences, trademarks and product development costs. Product development costs are capitalised as intangible assets when a project has obtained sanction and the future recoverability of such costs can reasonably be regarded as assured.

Intangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Intangible assets with a finite life are depreciated on a straight-line basis over their expected useful lives. The expected useful lives of the assets are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

1. Accounting policies (continued)

Intangible assets (continued)

The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is, the higher of net realisable value and value in use, the asset is written down to its recoverable amount. The value in use is determined from estimated discounted future net cash flows.

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 capitalised borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within tangible fixed assets.

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

Impairment of intangible and 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.

1. Accounting policies (continued)

Impairment of intangible and tangible fixed assets (continued)

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.

Investments

Fixed asset investments in subsidiaries 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.

Where these circumstances have reversed the impairment previously made is reversed to the extent of the original cost of the investment.

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

Stock valuation

Stock held for trading purposes are stated at fair value less costs to sell and any changes in fair value are recognised in the income statement.

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.

1. Accounting policies (continued)

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and 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.

Deferred tax

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, tax in the future. In particular:

- Provision is made for tax on gains arising on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the replacement assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leases

Assets held under leases which transfer to the company substantially all risks and rewards incidental to ownership of the leased item are classified as finance leases, and are capitalised at inception of the lease at the fair value of the leased property or, if significantly lower, at the estimated present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the lease liability. The total finance charge is charged over the lease term so as to achieve a constant rate of interest on the remaining balance of the liability.

1. Accounting policies (continued)

Leases (continued)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

All other lease arrangements are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

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.

2. Turnover

Turnover, which is stated net of value added tax, customs duties and sales taxes, represents amounts invoiced to third parties and other group companies. The country of origin and destination is substantially the UK geographic area and also includes the UK based international oil and gas activities.

Activity analysis	Turnover		Operating profit / (loss)	
	2013	2012	2013	2012
	$ million	$ million	$ million	$ million
Refining and marketing	102,844	95,082	(52)	(90)
Other businesses and corporate	231	225	16,797	2,362
Sales between businesses	(510)	(620)	-	-
	102,565	94,687	16,745	2,272

The refining and marketing segment includes oil supply and trading, petrochemicals and aromatic and acetyls operations.

The other business and corporate segment includes management and financial activities.

3. Profit on ordinary activities before interest and taxation

This is stated after charging / (crediting):

	2013	2012
	$ million	$ million
Hire charges under operating leases:		
Land & buildings	30	28
Plant & machinery	63	72
Currency exchange (gains)/losses	82	600
Expenditure on research	72	62
Depreciation of owned fixed assets (including amortisation of intangibles)	200	200
Depreciation of assets held under finance leases	-	5
Amounts provided against investments	24,754	45

4. Auditor's remuneration

	2013	2012
	$000	$000
Fees for the audit of the company	1,934	1,758

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

5. Other operating income

	2013	2012
	$ million	$ million
Income from subsidiary and associated undertakings:		
Dividends	41,690	3,193
Miscellaneous income	177	161
	41,867	3,354

6. Interest payable and similar charges

	2013	2012
	$ million	$ million
Interest expense on:		
Loans from group undertakings	1,972	2,061
Finance leases	-	-
	1,972	2,061

7. Interest receivable and similar income

	2013	2012
	$ million	$ million
Interest income from group undertakings	1,223	1,450
Other interest	540	568
	1,763	2,018

8. Taxation

The company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010.

In respect of the 'ORF' activities (Outside the Ring Fence, meaning other than oil extraction activities in the UK and UK Continental Shelf) of other group members, BP International Limited has undertaken to procure the claim or surrender of free group relief to the extent it is required or to otherwise indemnify and provide for any current or deferred UK tax that arises. Details of that provision are shown below.

The tax charge is made up as follows:

	2013	2012
Current tax	$ million	$ million
UK corporation tax on income for the year	2,858	2,683
Overseas taxation relief	(2,858)	(2,683)
UK tax underprovided / (overprovided) in prior years	5	6
	5	6
Overseas taxation on income for the year	5	1
Total current tax charged / (credited)	10	7
Deferred tax		
Origination and reversal of timing differences	(328)	137
Adjustments in prior year timing differences	252	(76)
Change in tax rate	(225)	(202)
Total deferred tax credited	(301)	(141)
Tax credited on profit on ordinary activities	(291)	(134)

(a) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% for the year ended 31 December 2013 (2012: 24%). The differences are reconciled below:

	2011	2012
	UK	UK
	$ million	$ million
Profit on ordinary activities before tax	16,536	2,229
Current taxation	10	7
Effective current tax rate	0%	0%

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8. Taxation (continued)

(a) Factors affecting the current tax charge (continued)

	2013	2012
	UK	UK
	%	%
UK corporation tax rate:	23	24
Overseas corporation tax rate:	-	-
Increase / (decrease) resulting from:		
Accelerated capital allowances	-	(1)
Dividends not subject to tax	(58)	(34)
Non-deductible expenditure / non-taxable income	35	3
Tax provided on behalf of other group companies	17	120
Overseas taxation relief claimed by other group companies	(17)	(120)
Free group relief	-	7
Adjustments to tax charge in respect of previous years	-	1
Effective current tax rate	-	-

The permanent and timing difference shown in the current tax rate reconciliation above are those that arise for UK corporation tax purposes, rather than overseas tax purposes.

(b) Factors that may affect future tax charges

The group has made elections to roll over ORF gains arising on the disposal of a number of assets by reinvesting the proceeds. In the event that these replacement assets are disposed of, additional tax would become payable. The company has provided for the deferred tax liability of $135.1 million (2012: $104.8 million) arising in respect of these claims.

The group has no ORF held over gains carried forward at 31 December 2013 (2012: $168.6 million) for which a deferred tax liability has been recognised. In 2012, the liability recognised was offset by an equal deferred tax asset recognised in respect of unrestricted ORF capital losses available.

Deferred tax assets have not been recognised on additional unrestricted capital losses of $181 million (2012: $181 million) and restricted capital losses of $482 million (2012: $482 million).

Other timing differences which give rise to a potential deferred tax asset of $1,251.8 million (2012: $943.3 million) have not been recognised as they are not expected to give rise to any future tax benefit.

There are tax credits arising in overseas branches of UK companies amounting to $16.4 billion (2012: $16 billion) for which a deferred tax asset has not been recognised.

EY

8. Taxation (continued)

(c) Provision for deferred tax

The deferred tax included in the balance sheet is as follows:

	2013	2012
	$ million	$ million
Fixed assets timing differences	656	1,008
Decommissioning and other provisions	(538)	(587)
Deferred double taxation relief	(104)	(118)
Other timing differences	208	220
Provision for deferred tax	222	523

Analysis of movements during the year:	
At 1 January 2013	523
Charge for the year on ordinary activities	(301)
Exchange adjustments	-
At 31 December 2013	222

9. 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 (2012: $Nil).

B Gilvary is a director of BP p.l.c., the ultimate parent undertaking, in whose accounts information required by the Companies Act 2006 as regards to emoluments is given. The remaining directors are senior executives of, and are remunerated by, BP p.l.c. and received no remuneration for services to this company or its subsidiary undertakings.

(b) Employee costs

The company had no employees during the year (2012: Nil).

10. Intangible assets

	Software & other	Goodwill	Total
Cost	$ million	$ million	$ million
At 1 January 2013	742	42	784
Exchange adjustments	11	-	11
Additions	38	-	38
Disposals	-	-	-
At 31 December 2013	791	42	833
Amortisation			
At 1 January 2013	534	42	576
Exchange adjustments	8	-	8
Charge for the year	50	-	50
Disposals	-	-	-
At 31 December 2013	592	42	634
Net book value			
At 31 December 2013	199	-	199
At 31 December 2012	208	-	208
Principal rates of amortisation	20%	-	

11. Tangible assets

	Refining & marketing	Corporate & other	Total	Of which AUC*
Cost	$ million	$ million	$ million	$ million
At 1 January 2013	1,010	1,310	2,320	134
Exchange adjustments	16	36	52	3
Additions	35	135	170	120
Disposals	(3)	(1)	(4)	(1)
Transfers	-	-	-	(94)
At 31 December 2013	1,058	1,480	2,538	162
Depreciation and impairment				
At 1 January 2013	587	723	1,310	-
Exchange adjustments	10	22	32	-
Charge for the year	49	101	150	-
Disposals	(3)	-	(3)	-
At 31 December 2013	643	846	1,489	-
Net book value				
At 31 December 2013	415	634	1,049	162
At 31 December 2012	423	587	1,010	134
Principal rates of depreciation	10%-25%	3%-25%		

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

The net book value of freehold land at 31 December 2013 is $15 million (2012: $15 million).

12. Investments

	Subsidiary shares	Investment in associate shares	Loans to associates	Other	Total
Cost	$ million	$ million	$ million	$ million	$ million
At 1 January 2013	63,675	25	2	193	63,895
Exchange adjustments	1	-	-	(76)	(75)
Additions	10,007	-	-	4	10,011
Transfers	-	-	-	(7)	(7)
Repayment	-	-	-	(20)	(20)
At 31 December 2013	73,683	25	2	94	73,804
Impairment losses					
At 1 January 2013	816	-	-	22	838
Charge for the year	24,754	-	-	-	24,754
Transfers	-	-	-	(7)	(7)
At 31 December 2013	25,570	-	-	15	25,585
Net book amount					
At 31 December 2013	48,113	25	2	79	48,219
At 31 December 2012	62,859	25	2	171	63,057

The investments in the subsidiary and associated undertakings are unlisted.

The subsidiary undertakings and associated undertakings of the company at 31 December 2013 and the percentage of equity capital held set out below are the investments which principally affected the profits or net assets of the company. To avoid a statement of excessive length, details of investments which are not significant have been omitted. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

Subsidiary undertakings	**Class of share held**	**%**	**Country of incorporation**	**Principal activity**
BP Australia Swaps Management Limited	Ordinary	100	England & Wales	Finance
BP Capital Markets p.l.c.	Ordinary	100	England & Wales	Finance
BP Caplux S.A.	Ordinary	100	Luxembourg	Holding company
BP Exploration Company Limited	Ordinary	100	Scotland	Exploration and production
BP Finance p.l.c.	Ordinary	100	England & Wales	Finance
BP Oil UK Limited	Ordinary	100	England & Wales	Refining and marketing
BP Russian Investments Limited	Ordinary	100	England & Wales	Holding company
BP Singapore Pte. Limited	Ordinary	100	Singapore	Refining and marketing
BP Sutton Limited	Ordinary	100	England & Wales	Finance

13. Stocks

	2013	2012
	$ million	$ million
Stock held for trading purposes	3,180	2,697
Stock held not for trading	27	26
	3,207	2,723

The difference between the carrying value of stocks and their replacement cost is not material.

14. Debtors

	2013 Within 1 year $ million	2013 After 1 year $ million	2012 Within 1 year $ million	2012 After 1 year $ million
Trade debtors	5,435	-	3,357	-
Amounts owed by group undertakings	75,041	49,643	55,025	63,250
Amounts owed by associates	186	47	105	102
Other debtors	328	1	418	4
Prepayments and accrued income	217	18	139	4
	81,207	49,709	59,044	63,360

15. Creditors

	2013 Within 1 year $ million	2013 After 1 year $ million	2012 Within 1 year $ million	2012 After 1 year $ million
Trade creditors	7,555	-	7,204	-
Amounts owed to group undertakings	88,568	60,125	94,448	63,968
Amounts owed to associates	761	-	88	-
Other creditors	2,059	-	1,609	-
Corporation tax	-	-	5	-
Accruals and deferred income	708	21	656	22
	99,651	60,146	104,010	63,990

16. Bank loans and overdrafts

At 31 December 2013 the company had access to the Group's undrawn borrowing facilities available amounting to $7,375 million (2012: $6,800 million), which were covered by formal commitments.

17. Obligations under leases

Annual commitments under non-cancellable operating leases are set out below:

	2013 $ million	2012 $ million
Operating leases which expire:		
Within 1 year	80	72
Between 2 to 5 years	163	123
Thereafter	40	42

18. Derivatives and other financial instruments

In the normal course of business the company enters into derivative financial instruments (derivatives), to manage its normal business exposures in relation to commodity prices, foreign currency exchange rates and interest rates, including management of the balance between floating rate and fixed rate debt consistent with risk management policies and objectives.

Derivatives held for trading
The company maintains active trading positions in a variety of derivatives. The contracts may be entered into for risk management purposes, to satisfy supply requirements or for entrepreneurial trading. Certain contracts are classified as held for trading, regardless of their original business objective, and are recognised at fair value with changes in fair value recognised in the profit and loss account. Trading activities are undertaken by using a range of contract types in combination to create incremental gains by arbitraging process between markets, locations and time period. The net of these exposures is monitored using market value-at-risk techniques.

The fair values of derivative financial instruments at 31 December are set out below.

	2013 Fair value asset $ million	2013 Fair value liability $ million	2012 Fair value asset $ million	2012 Fair value liability $ million
Cash flow hedges				
- Currency forwards, futures and cylinders	-	(69)	1	-
Fair value hedges				
- Currency forwards, futures and swaps	341	(153)	874	(245)
- Interest rate swaps	411	(135)	981	-
Derivatives held for trading				
- Currency derivatives	280	(120)	161	(192)
- Oil price derivatives	245	(130)	336	(144)
- Interest rate contracts	87	(87)	168	(159)
	1,364	(694)	2,521	(740)
Of which:				
– current	516	(236)	800	(316)
– non-current	848	(458)	1,721	(424)
	1,364	(694)	2,521	(740)

EY

19. Other provisions

	Other
	$ million
At 1 January 2013	108
Exchange adjustments	1
New or increased provisions	46
Write-back of unused provisions	-
Utilisation	(10)
At 31 December 2013	145

Other provisions include amounts in respect of overseas indirect tax exposures, third party debt guarantee contracts and a number of other items. The majority of other provisions are expected to be settled within one to three years. Where the impact of discounting is significant other provisions are discounted using a real discount rate of 1.0% (2012: 0.5%).

20. Called up share capital

	2013	2012
	$ million	$ million
Allotted, called up and fully paid:		
24,086,946,910 Ordinary shares of £1 each for a total nominal value of £24,086,946,910	37,114	37,114

21. Capital and reserves

	Called up share capital	Profit and loss account	Total
	$ million	$ million	$ million
At 1 January 2013	37,114	2,134	39,248
Profit for the year	-	16,827	16,827
Currency translation	-	23	23
Dividends – current year interim paid	-	(12,425)	(12,425)
At 31 December 2013	37,114	6,559	43,673

In 2013 the company paid interim ordinary dividends of $12,425 million (2012: $2,850 million). The dividend per share was $0.52 (2012 dividend per share: $0.12).

22. Reconciliation of movements in shareholders' funds

	2013	2012
	$ million	$ million
Profit for the year	16,827	2,363
Issue of ordinary share capital	-	-
Dividends – current year interim paid	(12,425)	(2,850)
Currency translation	20	83
Movement in the mark to market of cash flow hedges	3	-
Net (decrease) / increase in shareholders' funds	4,425	(404)
Shareholders' funds at 1 January	39,248	39,652
Shareholders' funds at 31 December	43,673	39,248

23. Capital commitments

Authorised and contracted future capital expenditure by the company for which contracts had been placed but not provided in the accounts at 31 December 2013 is estimated at $216 million (2012: $62 million).

24. Guarantees and other financial commitments

The company has issued guarantees under which the maximum aggregate liabilities at 31 December 2013 were $22,144 million (2012: $21,002 million), the majority of which relate to obligations of fellow subsidiaries of BP plc. The company has also issued uncapped indemnities and guarantees, the majority of which are for potential environmental claims related to ships leased and operated by a fellow subsidiary of BP plc. These are contingent liabilities upon which no material losses are expected to arise.

25. Related party transactions

The company has taken advantage of the exemption contained within FRS 8 "Related Party Disclosures", and has not disclosed transactions entered into with 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:

25. Related party transactions (continued)

Related party	Relationship	Description	Sales to related party	Purchases from related party	Amounts owed from related party	Amounts owed to related party
			$ million	$ million	$ million	$ million
OJSC Oil Company Rosneft (Associate)		Exploration and production				
2013			1,042	5,633	-	757
2012			-	-	-	-
TNK-BP Limited (Affiliate)		Refining and Marketing				
2013			-	-	-	-
2012			-	3,156	-	-
BP Southern Africa (Proprietary) Limited (Affiliate)		Refining and Marketing				
2013			2,474	-	413	-
2012			3,013	-	378	-
BP Trinidad and Tobago LLC (Affiliate)		Exploration and production				
2013			-	-	-	329
2012			-	-	-	223

26. Off-balance sheet arrangements

The company enters into operating lease arrangements for the hire of buildings and plant and equipment as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets. The hire charges for the year are disclosed in note 3 and the annual commitments under these arrangements are disclosed in note 17. There are no other material off-balance sheet arrangements.

27. Post balance sheet events

After the balance sheet date:

- the company's immediate parent company BP p.l.c. subscribed for an additional 3,010,234,798 Ordinary Shares of £1.00 each at par value in the capital of the company for a total consideration of US$5,000,000,000;

- the company has issued a guarantee under which the maximum aggregate liability is $1,450,000,000, which relates to obligations under commodity trading activities of its subsidiaries; and

- the company subscribed for additional Ordinary Shares of £1.00 each at par value in the capital of its immediate subsidiary BP Exploration Company Limited for an aggregate amount of US$2,850,000,000.

28. Pensions

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

29. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP p.l.c. 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.