

**BP ASIA PACIFIC HOLDINGS LIMITED**  
(Registered No. 1094398)

**ANNUAL REPORT AND ACCOUNTS 2005**

Board of Directors: F W M Starkie  
D P Chapman  
N M H Bamfield

---

**REPORT OF THE DIRECTORS**

The directors present their report and accounts for the year ended 31 December 2005.

**Principal activity**

The company is a holding company for subsidiary undertakings, many of which operate in the Asia Pacific region. It also provides long and short-term loan facilities to subsidiary and fellow subsidiary undertakings on a worldwide basis.

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

**Review of activities and future developments**

Loan agreements providing draw-down facilities of up to £3,161 million have been made with subsidiary and fellow subsidiary undertakings. The loans to Venezuelan companies amounting to £150 million have been fully provided for where repayment is unlikely due to underperformance in this region.

The company is in a good position to take advantage of any opportunities which may arise in the future.

**Results and dividends**

The profit for the year after taxation was £168,257,000, when added to the retained profit brought forward at 1 January 2005 of £397,210,000 and taking into account the interim dividend paid during the year of £397,000,000, gives a total retained profit carried forward at 31 December 2005 of £168,467,000.

**Directors**

The present directors are listed above. F W M Starkie served as a director throughout the financial year. Changes since 1 January 2005 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
J G Nemeth		1 June 2005
D P Chapman	1 June 2005	
N M H Bamfield	1 June 2005	



**BP ASIA PACIFIC HOLDINGS LIMITED**

**REPORT OF THE DIRECTORS**

**Directors' interests**

The interests of the directors holding office at 31 December 2005, and their families, in the US \$0.25 ordinary shares of BP p.l.c., were as set out below:

	<u>31 December 2005</u>	<u>1 January 2005</u> (or date of appointment)
F W M Starkie	100,620	140,816
D P Chapman	292,324	291,516
N M H Bamfield	27,657	38,524

In addition, rights to subscribe for US \$0.25 ordinary shares in BP p.l.c. were granted to, or exercised by, those directors between 1 January 2005 and 31 December 2005 as follows:

	<u>Granted</u>	<u>Exercised</u>
F W M Starkie	-	-
D P Chapman	-	-
N M H Bamfield	-	19,200

No director had any interest in the shares or debentures of subsidiary undertakings of BP p.l.c. at 31 December 2005.

**Policy and practice with respect to payment of suppliers**

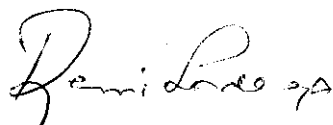
It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company. A copy of the code of practice may be obtained from the CBI.

There were no trade creditors at the year end.

**Auditors**

Ernst & Young LLP will continue in office as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985.

By order of the Board



Secretary

29 June 2006

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP

BP ASIA PACIFIC HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the company and to prevent and detect 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 ASIA PACIFIC HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BP ASIA PACIFIC HOLDINGS LIMITED

We have audited the company's accounts for the year ended 31 December 2005 which comprise Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, accounting policies and the related notes 1 to 15. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

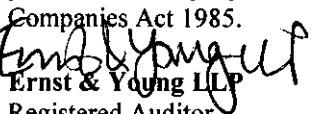
**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
London.

29 June 2006

## BP ASIA PACIFIC HOLDINGS LIMITED

### ACCOUNTING POLICIES

#### **Accounting Standards**

These accounts are prepared in accordance with applicable UK accounting standards.

In preparing the financial statements for the current year, the company has adopted Financial Reporting Standards No. 21 'Events after the Balance Sheet Date' (FRS 21) and No. 28 'Corresponding Amounts' (FRS 28). The adoption of FRS 21 has resulted in changes in accounting policy for dividends. Dividends proposed or declared on equity instruments after the balance sheet date are now not recognised as a liability at the balance sheet date.

#### **Accounting convention**

The accounts are prepared under the historical cost convention.

#### **Statement of cash flows**

The Group financial statements 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 228(1) of the Companies Act 1985. The results of subsidiary and associated undertakings are dealt with in the consolidated accounts of the ultimate parent undertaking, BP p.l.c., a company registered in England and Wales. The accounts present information about the company as an individual undertaking and not about the group.

#### **Foreign currency transactions**

Foreign currency transactions in currencies other than sterling are recorded at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities in currencies other than sterling are translated into sterling at rates of exchange ruling at the balance sheet date. All exchange gains and losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit for the year.

**BP ASIA PACIFIC HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	<u>2005</u> £'000	<u>2004</u> £'000
Dividend Income		27,372	17,078
Administration expenses		(20,257)	6,468
Other income	1	233,898	156,771
Exceptional items	3	<u>201</u>	<u>-</u>
<b>Profit on ordinary activities before interest and tax</b>	2	241,214	180,317
Interest payable and similar charges	4	<u>(57,650)</u>	<u>(26)</u>
<b>Profit before taxation</b>		183,564	180,291
Taxation	5	<u>(15,307)</u>	<u>(6,280)</u>
<b>Retained profit for the year</b>		<u>168,257</u>	<u>174,011</u>

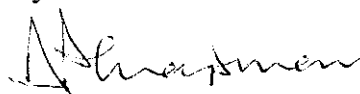
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	<u>2005</u> £'000	<u>2004</u> £'000
<b>Profit for the year</b>	168,257	174,011
Dividends per ordinary share - interim paid	<u>(397,000)</u>	<u>-</u>
<b>Total recognised gains and losses for the year</b>	<u>(228,743)</u>	<u>-</u>

**BP ASIA PACIFIC HOLDINGS LIMITED**  
**BALANCE SHEET AT 31 DECEMBER 2005**

	Note	<u>2005</u> £'000	<u>2004</u> £'000
<b>Fixed assets</b>			
Investments	7	<u>31,494</u>	<u>31,638</u>
<b>Current assets</b>			
Debtors – amounts falling due within one year	8	47,096	1,071,753
– amounts falling due more than one year	8	3,945,585	2,196,888
		<u>3,992,681</u>	<u>3,268,641</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(954,164)</u>	<u>(1,525)</u>
<b>Net current assets</b>		<u>3,038,517</u>	<u>3,267,116</u>
<b>NET ASSETS</b>		<u>3,070,011</u>	<u>3,298,754</u>
<b>Represented by:</b>			
<b>Capital and reserves</b>			
Called up share capital	10	2,901,544	2,901,544
Profit and loss account	11	<u>168,467</u>	<u>397,210</u>
<b>SHAREHOLDERS' FUNDS – EQUITY INTERESTS</b>		<u>3,070,011</u>	<u>3,298,754</u>

By order of the Board



Director

29 June 2006

**BP ASIA PACIFIC HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS**

**1. Other income**

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Interest income from subsidiary undertakings	15,366	10,595
Interest income from associated undertakings	14,827	7,253
Interest income from parent and fellow subsidiary undertakings	<u>203,705</u>	<u>138,923</u>
	<u>233,898</u>	<u>156,771</u>

**2. Profit on ordinary activities before interest and tax**

This is stated after charging / (crediting):

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Exchange (gain) / loss on foreign currency borrowings less deposits	(2,616)	1,463
Exchange loss / (gain) on provisions	15,993	(10,766)
Provision for investment	731	-
Provision for loans	4,622	-
Auditors' remuneration:	<u>9</u>	<u>9</u>

**3. Exceptional items**

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Profit on disposal of investments	<u>201</u>	<u>-</u>

**4. Interest payable and similar charges**

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Interest expense on:		
Loans from fellow subsidiary undertakings	<u>(57,650)</u>	<u>(26)</u>



BP ASIA PACIFIC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

**5. Taxation**

The Company is a member of a group for the purposes of relief under Section 402 of the Income & Corporation Taxes Act 1988. No corporation tax has been provided because another group company, BP International Limited, has undertaken to procure the claim or surrender of group relief to the extent it is required and to provide for any current or deferred tax that arises without charge.

The current tax charge represents Withholding Tax charged by foreign countries.

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Current Taxation:		
Tax on income for the year	<u>15,307</u>	<u>6,280</u>

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

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Profit before taxation	183,564	180,291
Current taxation	15,307	6,280
Effective current tax rate	8 %	3%

	<u>2005</u>	<u>2004</u>
	%	%
UK statutory corporation tax rate:	30	30
Increase/(decrease) resulting from:		
Overseas withholding tax	10	3
Non-deductible expenditure/Non taxed income	3	-
Double tax relief	(12)	(3)
Group relief	(23)	(27)
Effective current tax rate	<u>8</u>	<u>3</u>

BP ASIA PACIFIC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

**6. Directors and employees**

**(a) Remuneration of Directors**

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2004 £Nil).

**(b) Employee costs**

The company has no employees (2004 Nil).

**7. Fixed assets – investments**

	Subsidiary Under. shares £'000	Associated. Under. shares £'000	Total £'000
<b>Cost</b>			
At 1 January 2005	54,144	147	54,291
Additions	734	-	734
Deletions	-	(147)	(147)
At 31 December 2005	<u>54,878</u>	<u>-</u>	<u>54,878</u>
<b>Amounts provided</b>			
At 1 January 2005	22,653	-	22,653
Provided in the year	731	-	731
At 31 December 2005	<u>23,384</u>	<u>-</u>	<u>23,384</u>
<b>Net book amount</b>			
At 31 December 2005	<u>31,494</u>	<u>-</u>	<u>31,494</u>
At 31 December 2004	<u>31,491</u>	<u>147</u>	<u>31,638</u>

The investments in the subsidiary and associated undertakings are unlisted.

**BP ASIA PACIFIC HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS**

**7. Fixed assets – investments (continued)**

The significant subsidiary and associated undertakings of the company at 31 December 2005 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.

<u>Subsidiary Undertakings</u>	<u>%</u>	<u>Country of incorporation</u>	<u>Principal activity</u>
BP Asia Pacific (Malaysia) Sdn Bhd	100	Malaysia	Chemicals marketing
BP Chemicals SEA Pte Ltd	100	Singapore	Chemicals marketing
BP Guangdong Ltd	90	China	Marketing
BP China Pte Ltd	100	Singapore	Marketing
BP New Zealand Holdings Limited	100	New Zealand	Investment Holding
BP Oil Vietnam Limited	100	England & Wales	Investment Holding
BP (Shanghai) Trading Limited	100	China	Lubricants marketing
BP Taiwan Limited	100	England & Wales	Marketing
Lebanese Aviation Technical Services SAL	100	Lebanon	Aviation
Sunbury Air Services Ltd	100	England & Wales	Non-Trading
Sunbury Development Services Ltd	100	England & Wales	Non-Trading
<u>Associated Undertakings</u>	<u>%</u>	<u>Country of incorporation</u>	<u>Principal activity</u>
BP Chile Petrolera Ltda	50	Chile	Marine Lubricants

**8. Debtors**

	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>
	<u>Within</u>	<u>After</u>	<u>Within</u>	<u>After</u>
	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Subsidiary undertakings	11,577	222,617	11,159	207,606
Parent and fellow subsidiary undertakings	35,317	3,265,579	1,060,535	1,807,375
Associated undertakings	202	457,389	59	181,907
	<u>47,096</u>	<u>3,945,585</u>	<u>1,071,753</u>	<u>2,196,888</u>

**BP ASIA PACIFIC HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS**

**9. Creditors**

	<u>2005</u>	<u>2004</u>
	Within	Within
	1 year	1 year
	£'000	£'000
Parent and fellow subsidiary undertakings	949,930	702
Accruals and deferred income	4,234	823
	<u>954,164</u>	<u>1,525</u>

**10. Called up share capital**

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Authorised share capital: 5,000,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid: 2,901,544,000 ordinary shares of £1 each	<u>2,901,544</u>	<u>2,901,544</u>

**11. Reconciliation of shareholders' funds and movements on reserves**

	<u>Equity share capital £'000</u>	<u>Profit &amp; loss account £'000</u>	<u>Total £'000</u>
At 1 January 2005	2,901,544	397,210	3,298,754
Profit for the year	-	168,257	168,257
Dividends per ordinary share - interim paid	-	(397,000)	(397,000)
At 31 December 2005	<u>2,901,544</u>	<u>168,467</u>	<u>3,070,011</u>

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

	<u>2005</u>	<u>2004</u>
	£'000	£'000
Profit for the year	168,257	174,011
Dividends per ordinary share - interim paid	(397,000)	-
Net (decrease) / increase in shareholders' interests	(228,743)	174,011
Shareholders' interest at 1 January	3,298,754	3,124,743
Shareholders' interest at 31 December	<u>3,070,011</u>	<u>3,298,754</u>

BP ASIA PACIFIC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

**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 with group companies. There were no other related party transactions in the year.

**14. Pensions**

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

**15. Ultimate parent undertaking**

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