

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**  
**(Registered No.02515099)**

**ANNUAL REPORT AND ACCOUNTS 2013**

Board of Directors: C W Coburn  
D T Anderson  
D S Knapp  
R G Mason

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

**STRATEGIC REPORT**

**Results**

The loss for the year after taxation was £18,828,458 which, when added to the retained deficit brought forward at 1 January 2013 of £64,795,192, gives a total retained deficit carried forward at 31 December 2013 of £83,623,650.

**Principal activity and review of the business**

The company remained a holding company only for the BP Group's solar business.

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

	<u>2013</u>	<u>2012</u>	<u>Variance</u>
	£	£	%
Loss on ordinary activities before interest and taxation	(18,952,240)	(25,574,719)	26
Loss for the year	(18,828,458)	(24,629,261)	24
Shareholders' deficit	(18,682,746)	(22,854,288)	18

	<u>2013</u>	<u>2012</u>	<u>Variance</u>
	%	%	
Quick ratio*	-	53	(53)

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

The significant decrease in the losses of the company for the year is driven by completion of disposals of subsidiary undertakings, i.e. BP Solar France, BP Solar Italia and Solarex Ltd. The shareholders' deficit has also reduced as a result of the capital injections during the year.



## **BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

### **STRATEGIC REPORT**

#### **Principal risks and uncertainties**

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

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

Company level risks have been categorised against the following areas: strategic and commercial; compliance and control; and financial risk management. In addition, we have set out one separate risk for your attention – the risk resulting from the 2010 Gulf of Mexico oil spill.

#### **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 Alternative Energy Holdings 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 potential determination of the BP group's negligence or gross negligence), the outcome of litigation, the terms of any further settlements including the amount and timing of any payments thereunder, and any costs arising from any longer-term environmental consequences of the Incident, will also impact upon the ultimate cost for the BP group.

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.

## **BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

### **STRATEGIC REPORT**

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

##### **Strategic and commercial risks**

###### ***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 company has operations, in countries where political, economic and social transition is taking place. Some countries have experienced or may experience in the future political instability, changes to the regulatory environment, 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 company's operations, causing its development activities to be curtailed or terminated in these areas or its production to decline, could limit the company's ability to pursue new opportunities, could affect the recoverability of its assets and could cause it to incur additional costs. In particular, the company's investments in Greece could be adversely affected by heightened political and economic environment risks.

###### ***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.

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

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

The BP group's potential liabilities resulting from pending and future claims, lawsuits, settlements and enforcement actions relating to the 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.

## **BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

### **STRATEGIC REPORT**

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

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

The main financial risks faced by the company which arise from natural business exposures, are market risks relating to foreign currency exchange rates and interest rates. The management of these financial risks are performed at BP group level. The company seeks to maintain a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity. This framework constrains the level of assessed capital at risk for the purposes of positions taken in financial instruments. Failure to accurately forecast or maintain sufficient liquidity and credit to meet these needs could impact the company's ability to operate and result in a financial loss.

##### ***Market risk***

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. 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 foreign currency exchange risk and interest rate risk, each of which is discussed below.

##### ***(i) 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.

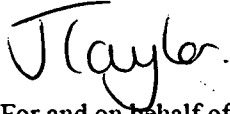
##### ***(ii) Interest rate risk***

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.

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

**STRATEGIC REPORT**

By Order of the Board



For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

1 August 2014

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

# **BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **Directors**

The present directors are listed on page 1.

Directors C W Coburn, D S Knapp, R G Mason and D Emery served as directors throughout the financial year. Changes since 1 January 2013 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
D T Anderson	11 February 2014	-
D Emery	-	11 February 2014

### **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 company's directors remain in force at the date of this report.

### **Dividends**

The company has not declared any dividends during the year (2012: £Nil). The directors do not propose the payment of a 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**

On 24 June 2014, the company received a capital injection from the immediate parent undertaking of the company by issuing 19,000,000 ordinary shares of £1.00 each at par value, for a total consideration of US\$ 32,238,250.

### **Future developments**

The directors consider that, despite the uncertainties deriving from the current economic environment and the loss reported for the year, the company has adequate resources to continue in operational existence 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 ALTERNATIVE ENERGY HOLDINGS LIMITED**

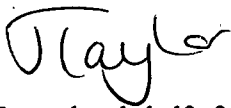
**DIRECTORS' REPORT**

**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

1 August 2014

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

### **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 ALTERNATIVE ENERGY HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

We have audited the financial statements of BP Alternative Energy Holdings 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 20. 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 8, 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 loss 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*

William Testa (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

5 August 2014

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	<u>2013</u> £	<u>2012</u> £
Administration expenses		(2,172,790)	(1,501,017)
<b>Operating loss</b>		<u>(2,172,790)</u>	<u>(1,501,017)</u>
Profit on liquidation of subsidiary undertakings	4	1,186,227	-
Loss on disposal of fixed assets	5	(9,068,493)	(6,287,512)
Amounts provided against fixed assets	5	(8,897,184)	(17,786,190)
<b>Loss on ordinary activities before interest and taxation</b>	2	<u>(18,952,240)</u>	<u>(25,574,719)</u>
Interest payable and similar charges	6	(329,439)	(600,837)
Interest receivable and similar income	7	453,221	1,546,295
<b>Loss before taxation</b>		<u>(18,828,458)</u>	<u>(24,629,261)</u>
Taxation	8	-	-
<b>Loss for the year</b>		<u>(18,828,458)</u>	<u>(24,629,261)</u>

The loss of £18,828,458 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**

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

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED****(Registered No.02515099)****BALANCE SHEET AT 31 DECEMBER 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	10	1,679,617	10,336,416
		<u>1,679,617</u>	<u>10,336,416</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	9,992	37,831,657
Debtors: amounts falling due after one year		262,844	-
<b>Creditors: amounts falling due within one year</b>	12	<u>(19,785,398)</u>	<u>(70,934,353)</u>
<b>Net current liabilities</b>		<u>(19,512,562)</u>	<u>(33,102,696)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(17,832,945)</u>	<u>(22,766,280)</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(806,793)	-
<b>Provisions for liabilities and charges</b>			
Other provision	13	(43,008)	(88,008)
<b>NET LIABILITIES</b>		<u>(18,682,746)</u>	<u>(22,854,288)</u>
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	14	64,940,904	41,940,904
Profit and loss account	15	(83,623,650)	(64,795,192)
<b>SHAREHOLDERS' DEFICIT – EQUITY INTERESTS</b>		<u>(18,682,746)</u>	<u>(22,854,288)</u>

The financial statements of BP Alternative Energy Holdings Limited were approved for issue by the Board of Directors on 29 July 2014 and were signed on its behalf by:



R G Mason  
Director

1 August 2014

## **BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **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.

##### **Basis of preparation**

At 31 December 2013 the company's balance sheet had total net liabilities amounting to £18,682,746.

The directors consider it appropriate to prepare the accounts on a going concern basis because since the balance sheet date the company received an injection of cash from its immediate parent of £19,000,000 (US\$32,238,250.).

##### **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 17.

##### **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.

##### **Foreign currency transactions**

Foreign currency transactions are initially recorded in sterling by applying the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are included in the profit and loss account.

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. Accounting Policies (continued)**

**Interest expense**

Interest costs are not capitalised and are charged in the profit and loss account in the year in which it is incurred.

**Interest income**

Interest income is recognised on an accruals basis.

**Investments**

Fixed asset investments in subsidiaries 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.

**Debtors**

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

**Creditors**

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

**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.

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. Accounting Policies (continued)**

**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. Loss on ordinary activities before interest and taxation**

This is stated after (crediting) / charging:

	<u>2013</u>	<u>2012</u>
	£	£
Currency exchange (gains) and losses	(1,261,490)	801,997
Litigation settlement on BP Solar France disposal - Aerowatt	<u>1,114,401</u>	<u>-</u>

**3. Auditor's remuneration**

	<u>2013</u>	<u>2012</u>
	£	£
Fees for the audit of the company	<u>10,157</u>	<u>22,704</u>

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

**4. Profit on liquidation of subsidiary undertakings**

	<u>2013</u>	<u>2012</u>
	£	£
Profit on liquidation of subsidiary undertakings	<u>1,186,227</u>	<u>-</u>

Profit was made on liquidation of the company's subsidiary undertakings, where the subsidiary's distributable reserves was paid up to the company and the share capital of subsidiary was cancelled, resulting in a net profit on liquidation as disclosed above.

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**5. Exceptional items**

Exceptional items comprise the loss on disposal of fixed assets and amounts provided against fixed assets as follows:

	<u>2013</u>	<u>2012</u>
	£	£
Loss on disposal of fixed assets	(9,068,493)	(6,287,512)
Amounts provided against fixed assets	(8,897,184)	(17,786,190)
Exceptional items (net of tax)	<u>(17,965,677)</u>	<u>(24,073,702)</u>

There is no tax effect on these items.

**6. Interest payable and similar charges**

	<u>2013</u>	<u>2012</u>
	£	£
Interest expense on loans from group undertaking	<u>329,439</u>	<u>600,837</u>

**7. Interest receivable and similar income**

	<u>2013</u>	<u>2012</u>
	£	£
Interest income from associates and group undertaking	<u>453,221</u>	<u>1,546,295</u>

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**8. Taxation**

The company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010. No UK corporation tax has been provided because another group company, BP International Limited, has undertaken to procure the claim or surrender of group relief to the extent it is required and to provide for any current or deferred UK tax that arises without charge.

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

	<u>2013</u>	<u>2012</u>
	£	£
Loss before taxation	(18,828,458)	(24,629,261)
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2013</u>	<u>2012</u>
	%	%
UK statutory corporation tax rate:	23	24
Increase / (decrease) resulting from:		
Non-deductible expenditure / (non-taxable income)	(24)	(23)
Transfer pricing adjustment	-	(1)
Free group relief	1	
Effective current tax rate	<u>-</u>	<u>-</u>

**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) Employee costs**

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



**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**10. Investments**

	Subsidiary shares
<b>Cost</b>	<b>£</b>
At 1 January 2013	64,370,491
Additions	8,897,184
Disposals	(70,428,802)
At 31 December 2013	<u>2,838,873</u>
<b>Impairment losses</b>	
At 1 January 2013	54,034,075
Charge for the year	8,897,184
Disposals	(61,772,003)
At 31 December 2013	<u>1,159,256</u>
<b>Net book amount</b>	
At 31 December 2013	<u>1,679,617</u>
At 31 December 2012	<u>10,336,416</u>

The investment in the subsidiary undertaking is unlisted.

During the year, the company made an equity injection to its subsidiary undertaking BP Solar France, and impaired the same amount. This impairment is required because the additional investment had no future economic value to the company.

During the year, the company disposed of its shareholding in its subsidiary undertakings BP Solar France, BP Solar Italia S.R.L. and Solarex Electric Limited (under voluntary liquidation).

The subsidiary undertaking of the company at 31 December 2013 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.

Subsidiary undertaking	Class of share held	%	Country of incorporation	Principal activity
BP Solar Hellas S.A.	Ordinary	100	Greece	Manufacturing and marketing of solar equipment

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**11. Debtors**

	<u>2013</u>	<u>2013</u>	<u>2012</u>
	Within	After	Within
	1 year	1 year	1 year
	£	£	£
Amounts owed by group undertakings	9,992	-	37,776,717
Prepayments and accrued income	-	-	54,940
Other debtors	-	262,844	-
	<u>9,992</u>	<u>262,844</u>	<u>37,831,657</u>

**12. Creditors**

	<u>2013</u>	<u>2013</u>	<u>2012</u>
	Within	After	Within
	1 year	1 year	1 year
	£	£	£
Trade creditors	-	-	24,449
Amounts owed to group undertakings	19,067,664	-	70,909,904
Other creditors	717,734	806,793	-
	<u>19,785,398</u>	<u>806,793</u>	<u>70,934,353</u>

**13. Other provision**

	<u>Total</u>
	£
At 1 January 2013	88,008
Write back of unused provision	(45,000)
At 31 December 2013	<u>43,008</u>

The provision is for warranty obligations associated with a turnkey project sold in the Netherlands. Following the transfer of the UK solar business to the Company from BP Alternative Energy International Limited these obligations have also been transferred. These are expected to be utilised by the end of next year.

**BP ALTERNATIVE ENERGY HOLDINGS LIMITED**

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**14. Called up share capital**

	<u>2013</u>	<u>2012</u>
	£	£
Allotted, called-up and fully paid:		
64,940,904 Ordinary shares of £1 each for a total nominal value of £64,940,904	64,940,904	41,940,904

On 1 July 2013, 7,000,000 ordinary shares of £1 each for a total nominal value of £7,000,000 were allotted to the immediate parent company at par value.

On 3 October 2013, 16,000,000 ordinary shares of £1 each for a total nominal value of £16,000,000 were allotted to the immediate parent company at par value.

**15. Capital and reserves**

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	£	£	£
At 1 January 2013	41,940,904	(64,795,192)	(22,854,288)
Issue of ordinary share capital	23,000,000	-	23,000,000
Loss for the year	-	(18,828,458)	(18,828,458)
At 31 December 2013	<u>64,940,904</u>	<u>(83,623,650)</u>	<u>(18,682,746)</u>

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

	<u>2013</u>	<u>2012</u>
	£	£
Loss for the year	(18,828,458)	(24,629,261)
Issue of ordinary share capital	23,000,000	16,000,000
Net increase / (decrease) in shareholders' funds	4,171,542	(8,629,261)
Shareholders' deficit at 1 January	(22,854,288)	(14,225,027)
Shareholders' deficit at 31 December	<u>(18,682,746)</u>	<u>(22,854,288)</u>

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**17. 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. There were no other related party transactions in the year.

**18. Post balance sheet events**

On 24 June 2014, the company received a capital injection from the immediate parent undertaking of the company by issuing 19,000,000 ordinary shares of £1.00 each at par value, for a total consideration of US\$ 32,238,250.

**19. Pensions**

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

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

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