HYDROGEN ENERGY INTERNATIONAL LIMITED
(Registered No.05972602)

ANNUAL REPORT AND ACCOUNTS 2013

Board of Directors: J A Forsyth
R D Mutchell

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 £15,987 which, when deducted from the retained deficit brought forward at 1 January 2013 of £3,070,332, gives a total retained deficit carried forward at 31 December 2013 of £3,054,345.

Principal activity and review of the business

The company is engaged in managing the Hydrogen Power Abu Dhabi (HPAD) project and associated activities.

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

	2013	2012	Variance
	£	£	%
Loss before interest and taxation	(9,158)	(56,859)	(83.9)
Profit / (loss) after taxation	15,987	(91,211)	(117.5)
Shareholders' funds	1,320,655	1,304,668	1.2

	2013	2012	Variance
	%	%	
Quick ratio*	1,268	1,103	165

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

The company has a 40% share in the Hydrogen Power Abu Dhabi (HPAD) project with Carbon Captured Storage business unit alongside its partner, Masdar. This project has been on hold since 2010, whilst awaiting final endorsement by the Abu Dhabi government. This has resulted in minimal Profit and Loss activity since year 2011, with 2013 loss before interest and taxation 83.9% lower than in 2012.

In addition, the 2013 profit after taxation also reflects a lower interest expense. The decrease in interest expense is primarily due to an overprovision of interest charges in previous period. This overprovision was a one-off event and is not expected to recur in future periods.

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.

Principal risks and uncertainties (continued)

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.

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 Hydrogen Energy 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 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.

Strategic and commercial risks

Access and renewal

Successful execution of the company's strategy depends on implementing activities to renew and reposition its portfolio. The challenges to renewal of the company's upstream portfolio are growing due to increasing competition for access to opportunities globally among both national and international oil companies, and heightened political and economic risks in certain countries where significant hydrocarbon bases are located. Lack of material positions in new markets could impact the company's future hydrocarbon production.

Principal risks and uncertainties (continued)

Strategic and commercial risks (continued)

Access and renewal (continued)
Moreover, the Incident has affected the BP group's reputation, which may have a long-term impact on the group's ability to access new opportunities, both in the US and elsewhere. Adverse public, political, regulatory and industry sentiment towards the BP group, could damage or impair the company's existing commercial relationships with counterparties, partners and host governments and could impair access to new investment opportunities, exploration properties, operatorships or other essential commercial arrangements with potential partners and host governments, particularly in the US. In addition, costs and liabilities relating to the Incident have placed, and will continue to place, a significant burden on BP group's cash flow, which could impede the BP group's ability to invest in new opportunities and deliver long-term growth, which in turn may impact the company.

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 company has operations, and are seeking new opportunities, in countries and regions 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.

Joint ventures and other contractual arrangements
The company'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 company has less control of such activities than it would have if it had full ownership and operational control.

Additionally, the company's joint venture partners or contractual counterparties are primarily responsible for the adequacy of the human or technical competencies and capabilities which they bring to bear on the joint project, and in the event these are found to be lacking the company's joint venture partners may not be able to meet their financial or other obligations to their counterparties or to the relevant project, potentially threatening the viability of such projects.

Principal risks and uncertainties (continued)

Strategic and commercial risks (continued)

Joint ventures and other contractual arrangements (continued)
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.

Major project delivery
Successful execution of the company's plan depends critically on implementing the activities to deliver the major projects over the plan period. Poor delivery of, or operational challenges, at any major project that underpins production or production growth and/or a major programme designed to enhance shareholder value, including maintenance turnaround programmes, could adversely affect the company's financial performance and it's operating cash flows.

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.

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.

Principal risks and uncertainties (continued)

Compliance and control risks (continued)

Regulatory (continued)
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.

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.

Safety and operational risks

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.

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 credit risk. The management of these financial risks is performed at BP group level. The company seeks to maintain a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity. This framework constrains the level of assessed capital at risk for the purposes of positions taken in financial instruments. Failure to accurately forecast or maintain sufficient liquidity and credit to meet these needs could impact the company's ability to operate and result in a financial loss.

Principal risks and uncertainties (continued)

Financial risk management (continued)

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 which is discussed below.

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.

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.

By Order of the Board

J Taylor.

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

20 MAY 2014

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

HYDROGEN ENERGY INTERNATIONAL LIMITED

DIRECTORS' REPORT

Directors

The present directors are listed on page 1.

J A Forsyth served as director throughout the financial year. Changes since 1 January 2013 are as follows:

	Appointed	Resigned
R G Mason	-	1 May 2013
R D Mutchell	1 May 2013	-

Directors' indemnity

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Such qualifying third party indemnity provisions for the benefit of the 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.

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.

HYDROGEN ENERGY 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

J Taylor

For and on behalf of
Sunbury Secretaries Limited
Company Secretary

20 MAY 2014

Registered Office:

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP
United Kingdom

HYDROGEN ENERGY INTERNATIONAL 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYDROGEN ENERGY INTERNATIONAL LIMITED

We have audited the financial statements of Hydrogen Energy 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 17. 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 10, 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

Jacqueline Ann Geary (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London
23 May 2014

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HYDROGEN ENERGY INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Administration expenses		(9,158)	(56,859)
Loss on ordinary activities before interest and taxation		(9,158)	(56,859)
Interest payable and similar charges	4	15,553	(47,628)
Interest receivable and similar income	5	9,592	13,276
Profit / (loss) before taxation		15,987	(91,211)
Taxation	6	-	-
Profit / (loss) for the year		15,987	(91,211)

The profit of £15,987 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 profit for the year.

HYDROGEN ENERGY INTERNATIONAL LIMITED
(Registered No.05972602)

BALANCE SHEET AT 31 DECEMBER 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible assets	8	-	-
		-	-
Current assets			
Debtors	9	2,812,300	2,829,453
		2,812,300	2,829,453
Creditors: amounts falling due within one year	10	(221,742)	(256,573)
Net current assets		2,590,558	2,572,880
TOTAL ASSETS LESS CURRENT LIABILITIES		2,590,558	2,572,880
Creditors: amounts falling due after more than one year	10	(1,187,500)	(1,187,500)
Provisions for liabilities and charges			
Other provisions	11	(82,403)	(80,712)
NET ASSETS		1,320,655	1,304,668
Represented by			
Capital and reserves			
Called up share capital	12	4,375,000	4,375,000
Profit and loss account	13	(3,054,345)	(3,070,332)
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		1,320,655	1,304,668

The financial statements of Hydrogen Energy International Limited were approved for issue by the Board of Directors on 4 May 2014 and were signed on its behalf by:

J A Forsyth
Director

20 MAY 2014

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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.

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 15.

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.

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.

1. Accounting policies (continued)

Intangible assets

Intangible assets include expenditure on the exploration for and evaluation of oil and natural gas resources, 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.

Other debtors

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

Other creditors

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

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.

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.

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2. Profit / (loss) on ordinary activities before taxation

This is stated after charging / (crediting):

	2013	2012
	£	£
Currency exchange losses and (gains)	1,691	(368)

3. Auditor's remuneration

	2013	2012
	£	£
Fees for the audit of the company	7,077	26,355

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

4. Interest payable and similar charges

	2013	2012
	£	£
Interest expense on:		
Loans from group undertakings	(15,553)	47,628

The decrease in interest expense is primarily due to an overprovision of interest charges in previous period. This overprovision was a one-off event and is not expected to recur in future periods.

5. Interest receivable and similar income

	2013	2012
	£	£
Interest income from group undertakings	9,592	13,276

6. 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.

6. Taxation (continued)

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

	2013	2012
	£	£
Profit / (loss) before taxation	15,987	(91,211)
Current taxation	0	0
Effective current tax rate	0%	0%

	2013	2012
	%	%
UK statutory corporation tax rate:	23	24
Increase / (decrease) resulting from:		
Fixed asset timing differences	(5)	1
Free group relief	4	(25)
Transfer pricing adjustment	(22)	0
Effective current tax rate	-	-

7. 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).

8. Intangible assets

	Intellectual Property
	£
Cost	
At 1 January / At 31 December 2013	249,998
Amortisation	
At 1 January / At 31 December 2013	249,998
Net book value	
At 31 December 2013 / At 31 December 2012	-
Principal rates of amortisation	33%

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9. Debtors

	2013 Within 1 year	2012 Within 1 year
	£	£
Amounts owed by group undertakings	2,812,300	2,829,453
	2,812,300	2,829,453

10. Creditors

	2013 Within 1 year	2013 After 1 year	2012 Within 1 year	2012 After 1 year
	£	£	£	£
Amounts owed to group undertakings	214,658	1,187,500	230,211	1,187,500
Accruals and deferred income	7,084	-	26,362	-
	221,742	1,187,500	256,573	1,187,500

11. Other provisions

	Total
	£
At 1 January 2013	80,712
Exchange adjustments	1,691
At 31 December 2013	82,403

The provision relates to 50% projects costs which have been paid to BASF in March 2014.

12. Called up share capital

	2013	2012
	£	£
Allotted, called up and fully paid:		
4,375,000 Ordinary shares of £1 each for a total nominal value of £4,375,000	4,375,000	4,375,000

13. Capital and reserves

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2013	4,375,000	(3,070,332)	1,304,668
Profit for the year	-	15,987	15,987
At 31 December 2013	4,375,000	(3,054,345)	1,320,655

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14. Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit / (loss) for the year	15,987	(91,211)
Net increase / (decrease) in shareholders' funds	15,987	(91,211)
Shareholders' funds at 1 January	1,304,668	1,395,879
Shareholders' funds at 31 December	1,320,655	1,304,668

15. 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.

16. Pensions

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

17. Immediate and ultimate controlling parent undertaking

The immediate parent undertaking is BP Alternative Energy 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.