



**BP CHEMICALS TRADING LIMITED**

*Registered Number: 496887*

**ANNUAL REPORT AND ACCOUNTS - 1995**



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Board of Directors:

Dr. J. K. Robinson	(Chairman)
M. E. Perkins	(Managing Director)
C. P. Saunders	

Company Secretary:

B. Peevor

Bankers

Citibank N.A.  
111 Wall Street  
6th Fl/6  
New York  
NY 10043

Societe Generale  
Exchange House  
Primrose Street  
London EC2A 2HT

HSBC Trade Services  
6 Arthur Street  
London  
EC4R 9HR

ABN Amro Bank  
101 Moorgate  
London EC2M 6SB

Standard Chartered Bank  
New London Bridge House  
25 London Bridge Street  
London SE1 9TB

Swiss Bank Corporation  
Swiss Bank House  
1 High Timber Street  
London EC4V 3SB

Solicitors

BP Chemicals Legal Department  
6th Floor  
Britannic House  
1 Finsbury Circus  
London EC2M 7BA

Auditors

Ernst & Young  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU

CTY

## **REPORT OF THE DIRECTORS**

The directors submit their report and accounts for the year ended 31 December 1995.

During the year the company continued to act as chemical traders. A significant investment was made in the replacement of the Company's logistics and accounting computer systems with modules of the R/3 software package licensed from SAP AG; the new system commenced live running in July 1995.

The company traded successfully during the year. Trading conditions were good during the first half but deteriorated over the last six months of the year. The company realised a final profit of US\$38,000. This profit when added to the retained profits brought forward of US\$ 935,000 leaves a balance of US\$ 973,000 to be carried forward. The directors do not recommend payment of a dividend.

Details of the Company's fixed assets are included in note 8 to the accounts.

Dr JK Robinson (Chairman), Mr ME Perkins, Mr CP Saunders served as directors of the company throughout the financial year.

The interests of the directors holding office on 31 December 1995, and their families, in the shares of The British Petroleum Company p.l.c. were as set out below.

	Type of Share	1 January 1995	31 December 1995
J.K. Robinson	25p Ordinary	5,581	9,528
M E Perkins	25p Ordinary	8,619	9,460
C.P. Saunders	25p Ordinary	995	1,539

Dr Robinson's interests were held in the form of American Depository receipts.

Rights to subscribe for 25p Ordinary Shares were granted to, or exercised by, the directors between 1 January and 31 December 1995 as follows:

	Granted	Exercised
J.K. Robinson	nil	33,600
M E Perkins	8,400	nil
C.P. Saunders	8,400	nil

None of the directors had any interest in shares or debentures of subsidiary undertakings of The British Petroleum Company p.l.c. at 31 December 1995.

During the year insurance was purchased and maintained by the ultimate parent undertaking for the directors and officers of the company against the financial consequences of actions brought against them by outside parties for their acts or omissions in the performance of their duties.

In accordance with Section 379A of the Companies Act 1985 (as amended) the company has elected to dispense with the obligation to appoint auditors annually. Accordingly Ernst & Young are deemed to be re-appointed auditors for the succeeding financial year.

By order of the Board



B Peevor  
Secretary

BP House  
Breakspear Way  
Hemel Hempstead  
Hertfordshire  
HP2 4UL

*28 August* 1996

## **BP CHEMICALS TRADING LIMITED**

### **STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial year which 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

**BP CHEMICALS TRADING LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS  
OF BP CHEMICALS TRADING LIMITED**

We have audited the accounts on pages 7 to 14 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

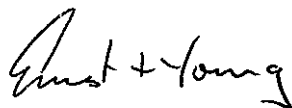
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 of the state of affairs of the company at 31 December 1995 and of its profit for the year then ended and have been prepared in accordance with the Companies Act 1985.

  
**Ernst & Young**

**Chartered Accountants  
Registered Auditor**

**London**

28 August 1996

# BP CHEMICALS TRADING LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	Note	1995 US\$'000	1994 US\$'000
Turnover - continuing operations	2	132,647	134,547
Cost of Sales		<u>(129,667)</u>	<u>(130,503)</u>
Gross Profit		2,980	4,044
Selling and Administration expenses		<u>(2,792)</u>	<u>(2,689)</u>
Operating Profit		188	1,355
Interest Payable	6	<u>(150)</u>	<u>-</u>
Profit on ordinary activities before taxation		38	1,355
Taxation	7	<u>-</u>	<u>-</u>
Profit for the year		38	1,355
Balance brought forward at 1 January		<u>935</u>	<u>(420)</u>
Balance carried forward at 31 December		<u><u>973</u></u>	<u><u>935</u></u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES.

There were no recognised gains and losses for the year other than the profit retained of US\$ 38,000 (1994 profit US\$1,355,000).

**BP CHEMICALS TRADING LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 1995**

	Note	1995 US\$'000	1995 US\$'000	1994 US\$'000	1994 US\$'000
Fixed Assets					
Tangible Assets	8		117		33
Current Assets					
Debtors	9	12,282		23,134	
Less:					
Creditors: amounts falling due within one year	10	<u>(11,239)</u>		<u>(22,045)</u>	
Net Current Assets			<u>1,043</u>		<u>1,089</u>
Total Assets less Current Liabilities			<u>1,160</u>		<u>1,122</u>
Represented by:					
Capital and Reserves					
Called Up Share Capital	11		187		187
Profit and Loss Account	12		<u>973</u>		<u>935</u>
Shareholders funds - equity interests	12		<u>1,160</u>		<u>1,122</u>

  
 M E Perkins  
 Director

28<sup>th</sup> August 1996



## **NOTES TO THE ACCOUNTS**

### **1. Accounting Policies**

- a) The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.
- b) Depreciation on tangible assets is calculated on a straight line basis over estimated useful lives.
- c) Transactions in foreign currencies other than US dollars are translated into US dollars at rates ruling at the date of the transaction. All exchange gains and losses on settlement or translation of monetary assets and liabilities are included in the determination of profit for the year.
- d) Deferred taxation is calculated using the liability method. Provision is made where timing differences are expected to reverse in the foreseeable future.
- e) Pension costs represent the contributions made to the BP Pension fund.
- f) The company is a wholly owned subsidiary of its ultimate parent undertaking, The British Petroleum Company p.l.c., which has published a group cash flow statement in accordance with Financial Reporting standard No. 1. Accordingly, a cash flow statement is not presented in these accounts.

### **2. Turnover**

Turnover comprises sales proceeds excluding customs duties and sales taxes and is derived from one activity, the sale of chemical products.

A geographical breakdown of the sales is as follows:

	1995	1994
United Kingdom	11%	12%
Western Europe	9 %	7%
Asia / Pacific	60%	63%
Rest of the World	20%	18%

### 3. Depreciation

	1995 US\$'000	1994 US\$'000
Annual charge	<u>12</u>	<u>8</u>

### 4. Auditors' remuneration

	1995 US\$'000	1994 US\$'000
Audit services	21	21
Other services	<u>-</u>	<u>-</u>
	<u>21</u>	<u>21</u>

### 5. Directors and Employees

	1995 US\$'000	1994 US\$'000
Wages and salaries	427	377
Social security costs	36	26
Pension costs	<u>35</u>	<u>34</u>
	<u>498</u>	<u>437</u>

### Pensions

The company is a participating employer in the BP Group's principal UK pension plan (The BP Pension Fund). The BP Pension Fund is separately funded and provides defined benefits that are computed on the basis of an employee's years of service and final pensionable salary. Contributions are made to the BP Pension Fund on the basis of advice from independent actuaries, using actuarial methods the objective of which is to provide adequate funds to meet pension obligations as they fall due, and are based on pension costs in respect of all members of the fund. Actuarial surpluses and deficiencies are amortised over the expected remaining service lives of members and charged or credited to income as appropriate in the accounts of BP International Limited, a parent undertaking, having regard to the overall position of the Fund. Particulars of the most recent actuarial valuation of the BP Pension Fund as at 1 January 1995 are included within the financial statements of the ultimate parent undertaking.

The charge to profit for the year for pensions is US\$ 35,000 (1994 US\$34,000).

### Average employee numbers

	1995	1994
Selling and administration	<u>9</u>	<u>7</u>

### Directors' emoluments

During the financial year no directors' fees were paid. Three directors were senior executives of BP Chemicals Limited, and received no remuneration for services provided to this company.

### 6. Interest Payable

	1995 US\$'000	1994 US\$'000
Bank Loans and overdrafts	<u>150</u>	<u>-</u>

### 7. United Kingdom Taxation

The company is a member of a group for the purposes of relief under section 402 of the Income and Corporation Taxes Act 1988. No corporation tax liability arises.

No provision for deferred taxation is required at 31 December 1995

## 8. Tangible Assets

	Office Machines US\$'000
<u>Cost</u>	
At 1 January 1995	63
Additions	96
At 31 December 1995	159
<u>Depreciation</u>	
At 1 January 1995	30
Additions	12
At 31 December 1995	42
Net Book Amount at 31 December 1995	117
Net Book Amount at 31 December 1994	<u>33</u>

Depreciation rates: Office Machines - 5 years straight line

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**9. Debtors - due within one year**

	1995 US\$'000	1994 US\$'000
Trade	9,680	22,830
Fellow subsidiary undertakings	2,532	277
Prepayments and Other Debtors	<u>70</u>	<u>27</u>
	<u>12,282</u>	<u>23,134</u>

**10. Creditors - due within one year**

	1995 US\$'000	1994 US\$'000
Trade	2,997	13,251
Fellow subsidiary undertakings	7,870	8,275
Accrued charges and other creditors	372	490
Other taxes and social security costs	<u>0</u>	<u>29</u>
	<u>11,239</u>	<u>22,045</u>

**11. Called Up Share Capital**

	1995 £1	1995 £'000	1994 £1	1994 £'000
	Ordinary Shares		Ordinary Shares	
Authorised, allotted and fully paid	100,000	<u>100</u>	100,000	<u>100</u>

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## 12. Reconciliation Of Shareholders Funds

	Share Capital US \$000	Profit & Loss account US \$000	Total US \$000
At 1 January 1995	187	935	1,122
Profit for the year	-	38	38
At 31 December 1995	<u>187</u>	<u>973</u>	<u>1,160</u>

## 13. Financial Commitments

### Capital Expenditure

Authorised future capital expenditure is estimated at US\$40,000 (1994 US\$20,000). No contracts had been placed as at 31 December 1995 (31 December 1994 US\$ nil).

## 14. 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 The British Petroleum Company p.l.c., a company registered in England and Wales.

Copies of the accounts of The British Petroleum Company p.l.c. can be obtained from the Company Secretary at The British Petroleum Company p.l.c., Britannic House, 1 Finsbury Circus, London EC2M 7BA.