

BP WORLD-WIDE TECHNICAL SERVICES LIMITED
(Formerly BP Chemicals Technical Services Limited)
(Registered No. 510676)

ANNUAL REPORT AND ACCOUNTS 1999

Board of Directors: B E Grote (Chairman)
 D K Peattie

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 1999.

Principal activity

During the financial year the company provided management and co-ordination services to BP International Limited and BP Chemicals Limited in respect of activities in Indonesia, India and Malaysia. The accounts incorporate the activities of the company's Malaysian Branch and technical services provided in Venezuela.

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

Results

The loss for the year, after tax, amounted to £340,000 (1998 loss of £1,026,000) which, when added to the retained loss brought forward at 1 January 1999 of £1,156,000, together with exchange adjustments taken directly to reserves of £185,000 gives a total loss carried forward at 31 December 1999 of £1,681,000. The directors do not propose payment of a final dividend.

Change of name

BP Chemicals Technical Services Limited changed its name to BP World-Wide Technical Services Limited on 12 August 1999.

Directors

Mr B K Sanderson and Mr I F Macdonald served as directors of the company throughout the financial year. Changes since 1 January 1999 are as follows:

| | <u>Appointed</u> | <u>Resigned</u> |
|---------------|------------------|-----------------|
| B K Sanderson | | 1 October 2000 |
| I F Macdonald | | 1 March 2001 |
| B E Grote | 1 October 2000 | - |
| DK Peattie | 1 March 2001 | - |



BP WORLD-WIDE TECHNICAL SERVICES LIMITED
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REPORT OF THE DIRECTORS

Directors' interests

The interests of the director holding office at 31 December and his family, in the ordinary shares of BP p.l.c. (formerly BP Amoco p.l.c.) were as set out below. Following shareholder approval at its 1 September 1999 Extraordinary General Meeting, BP p.l.c. (then named BP Amoco p.l.c.) subdivided each of its US\$ 0.50 nominal shares into two US\$ 0.25 new ordinary shares with effect from 4 October 1999. As a result, the number of ordinary shares held at the close of business on 1 October 1999 doubled. All share holdings prior to the subdivision have been adjusted to reflect the share subdivision.

| | <u>31 December 1999</u> | <u>1 January 1999</u> |
|---------------|-------------------------|-----------------------|
| I F Macdonald | 62,160 | 38,448 |

In addition, rights to subscribe for Ordinary shares in BP p.l.c. (formerly BP Amoco p.l.c.) were granted to, or exercised by, that director between 1 January and 31 December 1999 as follows:

| | Granted | Exercised |
|---------------|---------|-----------|
| I F Macdonald | Nil | 33,600 |

No director had any interest in the shares or debentures of subsidiary undertakings of BP p.l.c. (formerly BP Amoco p.l.c.) at 31 December 1999.

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 31 December 1999.

Auditors

On 28 June 2001, Ernst & Young transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By order of the Board


Secretary

Registered Office:
Breakspear Park
Breakspear Way
Hemel Hempstead
Herts HP2 4UL

12 October 2001

BP WORLD-WIDE TECHNICAL SERVICES LIMITED
(Formerly BP Chemicals Technical Services 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; 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 responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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, or has access within the BP Group to, adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts

BP WORLD-WIDE TECHNICAL SERVICES LIMITED
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REPORT OF THE AUDITORS TO THE MEMBERS OF
BP WORLD-WIDE TECHNICAL SERVICES LIMITED

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guide.

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 the company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Registered Auditor
London

12 October 2001

[Handwritten signature]

BP WORLD-WIDE TECHNICAL SERVICES LIMITED
(Formerly BP Chemicals Technical Services Limited)

ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Group Accounts

As the ultimate parent undertaking has published a group cash flow statement in compliance with Financial Reporting Standard No. 1 (Revised), a cash flow statement is not presented in these accounts.

Foreign currencies

Assets and liabilities of foreign currency branches are translated into sterling at closing rates of exchange. Income statements are translated at average rates of exchange.

Exchange differences resulting from the retranslation of net investments in foreign currency branches at closing rates, together with differences between income statements translated at average rates and at closing rates of exchange, are dealt with in reserves. Exchange gains and losses arising on long-term foreign currency borrowings used to finance the company's foreign currency investments are also dealt with in reserves.

All other exchange gains or losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit/loss for the year.

Depreciation

Tangible fixed assets are depreciated on the straight line method over their estimated useful lives.

Deferred taxation

Deferred taxation is calculated, using the liability method, in respect of timing differences arising primarily from the different accounting and tax treatment of depreciation. Provision is made, or recovery anticipated, where timing differences are expected to reverse in the foreseeable future.

BP WORLD-WIDE TECHNICAL SERVICES LIMITED
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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

| | Note | 1999 £000 | 1998 £000 |
|--|------|--------------|--------------|
| Turnover | 1 | 3,384 | 811 |
| Cost of sales | | 2,757 | 1,676 |
| | | <hr/> | <hr/> |
| Gross Profit/(Loss) | | 627 | (865) |
| Administrative expenses | | 910 | 107 |
| | | <hr/> | <hr/> |
| Operating Loss | 2 | (283) | (972) |
| Interest receivable | 3 | 25 | 10 |
| Profit on disposal | | - | 28 |
| | | <hr/> | <hr/> |
| Loss on ordinary activities before taxation | | (258) | (934) |
| Taxation | 4 | 82 | 92 |
| | | <hr/> | <hr/> |
| Loss for the year | 10 | (340) | (1,026) |
| | | <hr/> | <hr/> |

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 1999

| | 1999 £000 | 1998 £000 |
|---|--------------|--------------|
| Loss for the year | (340) | (1,026) |
| Currency translation differences | (185) | (83) |
| | <hr/> | <hr/> |
| Total recognised losses for the year | (525) | (1,109) |
| | <hr/> | <hr/> |

BP WORLD-WIDE TECHNICAL SERVICES LIMITED
(Formerly BP Chemicals Technical Services Limited)

BALANCE SHEET AT 31 DECEMBER 1999

| | Note | 1999 £000 | 1998 £000 |
|--|------|--------------|--------------|
| Fixed assets | | | |
| Tangible assets | 6 | 80 | 39 |
| Current assets | | | |
| Debtors | 7 | 7,474 | 4,758 |
| Cash at bank and in hand | | 358 | 52 |
| | | <hr/> 7,832 | <hr/> 4,810 |
| Creditors – amounts falling due within one year | 8 | (8,593) | (5,005) |
| Net current liabilities | | <hr/> (761) | <hr/> (195) |
| EXCESS OF LIABILITIES OVER ASSETS | | <hr/> (681) | <hr/> (156) |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Represented by: | | | |
| Capital and reserves | | | |
| Called-up share capital | 9 | 1,000 | 1,000 |
| Reserves | 10 | (1,681) | (1,156) |
| SHAREHOLDERS' FUNDS - EQUITY INTERESTS | | <hr/> (681) | <hr/> (156) |
| | | <hr/> <hr/> | <hr/> <hr/> |

Director

12 October 2001

BP WORLD-WIDE TECHNICAL SERVICES LIMITED
(Formerly BP Chemicals Technical Services Limited)

NOTES TO THE ACCOUNTS

1. Turnover

Turnover comprises gross proceeds, recoverable expenditure and management fee receivable from the Far East and Venezuela.

2. Operating loss

This is stated after charging / (crediting):

| | <u>1999</u> £000 | <u>1998</u> £000 |
|-------------------------------------|---------------------|---------------------|
| Audit fees - Current Year | 2 | 2 |
| - under provision from prior period | - | 1 |
| Depreciation of owned fixed assets | 34 | 47 |
| Exchange Loss/(Gain) | 3 | (140) |
| | <u> </u> | <u> </u> |

No fees were paid to the auditors for other services.

3. Interest receivable

| | <u>1999</u> £000 | <u>1998</u> £000 |
|------------------------|---------------------|---------------------|
| Bank interest overseas | 25 | 10 |
| | <u> </u> | <u> </u> |

4. Taxation

| | <u>1999</u> £000 | <u>1998</u> £000 |
|--|---------------------|---------------------|
| UK Corporation Tax at 30.25% (1998; 31%) | - | - |
| Overseas taxation relief | - | - |
| | <u> </u> | <u> </u> |
| UK Taxation | - | - |
| | <u> </u> | <u> </u> |
| Overseas Taxation | 82 | 92 |
| | <u> </u> | <u> </u> |

The company is a member of a group for the purposes of relief under Section 402 of the Income and Corporation Taxes Act 1988. Provision for deferred tax is not required.

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BP WORLD-WIDE TECHNICAL SERVICES LIMITED
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NOTES TO THE ACCOUNTS

5. Directors and employees

None of the directors received any fees or remuneration from the company during the financial year (1998 £Nil). The company has no employees.

6. Tangible assets

| | Motor Vehicles |
|---------------------------------------|-------------------|
| Cost | |
| At 1 January 1999 | 163 |
| Additions | 81 |
| Disposals | (78) |
| | <hr/> |
| At 31 December 1999 | 166 |
| | <hr/> |
| Depreciation | |
| At 1 January 1999 | 124 |
| Charge for the year | 34 |
| Disposals | (72) |
| | <hr/> |
| At 31 December 1999 | 86 |
| | <hr/> |
| Net book amount | |
| At 31 December 1999 | 80 |
| | <hr/> |
| At 31 December 1998 | 39 |
| | <hr/> |
| Principal rate of depreciation is 25% | |

7. Debtors

| | <u>1999</u> £000 | <u>1998</u> £000 |
|--|---------------------|---------------------|
| Parent and fellow subsidiary undertaking | 2,716 | 1,215 |
| Related companies | 2,202 | 1,430 |
| Other | 2,482 | 1,964 |
| Prepayments | 74 | 5 |
| Associated Undertakings | - | 144 |
| | <hr/> | <hr/> |
| | 7,474 | 4,758 |
| | <hr/> | <hr/> |

BP WORLD-WIDE TECHNICAL SERVICES LIMITED
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NOTES TO THE ACCOUNTS

8. Creditors

| | <u>1999</u> | <u>1998</u> |
|--|-------------|-------------|
| | £000 | £000 |
| Parent and fellow subsidiary undertaking | 8,020 | 4,730 |
| Accruals | 568 | 267 |
| Taxation | - | 2 |
| Other | 5 | 6 |
| | <hr/> | <hr/> |
| | 8,593 | 5,005 |
| | <hr/> | <hr/> |

9. Called up Share Capital

| | <u>1999</u> | <u>1998</u> |
|---|-------------|-------------|
| | £000 | £000 |
| Authorised, allotted and fully paid 1,000,000 ordinary shares of £1 each | 1,000 | 1,000 |
| | <hr/> | <hr/> |

10. Reconciliation of Shareholders' Funds and Movements on Reserves

| | <u>Share capital</u> | <u>Profit & Loss</u> | <u>Total</u> |
|----------------------------------|--------------------------|------------------------------|--------------|
| | £'000 | £'000 | £'000 |
| At 1 January 1998 | 1,000 | (47) | 953 |
| Loss for the year | - | (1,026) | (1,026) |
| Currency translation differences | - | (83) | (83) |
| | <hr/> | <hr/> | <hr/> |
| At 1 January 1999 | 1,000 | (1,156) | (156) |
| Loss for the year | - | (340) | (340) |
| Currency translation differences | - | (185) | (185) |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 1999 | 1,000 | (1,681) | (681) |
| | <hr/> | <hr/> | <hr/> |

11. Related party transactions

The company has taken advantage of the exemption contained within FRS8, and has not disclosed transactions with group companies. There were no other related party transactions in the year.

12. Ultimate Parent Undertaking

The ultimate parent undertaking of the group of undertakings for which accounts are drawn up and of which the Company is a member is BP p.l.c (formerly BP Amoco p.l.c.) a company registered in England and Wales. Copies of BP p.l.c's accounts can be obtained from Britannic House, 1 Finsbury Circus, London, EC2M 7BA.