

ANNUAL REPORT AND ACCOUNTS 1999

Board of Directors:- Sir John Browne - Chairman
Dr J G S Buchanan
F W M Starkie
A B Hayward

REPORT OF THE DIRECTORS

The directors present their report and the accounts for the year ended 31 December 1999. The company, which is based in the UK, is engaged internationally in oil, chemicals and related financial activities. It also provides services to other group undertakings and holds investments in subsidiary and associated undertakings engaged in similar activities.

Financial review

The profit for the year after taxation was £1,434 million. An interim dividend of £2,506 million was paid and the balance, when added to the retained profit brought forward at 1 January 1999 of £2,192 million, gives a total retained profit carried forward at 31 December 1999 of £1,120 million. The directors do not propose payment of a final dividend.

Review of activities

Oil activities comprise the results of BP International Limited's Refining and Marketing business as well as certain international business sectors with head offices in the United Kingdom. These showed an operating profit for the year of £28 million.

The Chemicals activities consist of interests in various petrochemical and specialist derivative businesses. Chemicals operating loss of £26 million was £74 million lower than in 1998 as margins fell to new cyclical lows in several commodities. Operating profit from corporate and other activities of £2,071 million includes dividends from subsidiary undertakings of £1,631 million.

The UK aviation fuel supply and marketing business was transferred from BP Oil UK Limited during the year.

Directors

Sir John Browne, Dr J G S Buchanan and Mr F W M Starkie served as directors throughout the financial year. Mr D R Watson resigned as a director of the company on 1 September 2000 and Mr A B Hayward was appointed as a director on the same date.



BP INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

Directors' interests

The interests of the directors holding office at 31 December 1999, other than directors of the ultimate parent undertaking, and their families, in the Ordinary Shares of BP Amoco p.l.c., were as set out below:

	31 December 1999	1 January 1999
F W M Starkie	69,994	81,042
D R Watson	62,565	59,718

In addition, rights to subscribe for Ordinary Shares in BP Amoco p.l.c. were granted to, or exercised by, those directors between 1 January and 31 December 1999 as follows:-

	Granted	Exercised
F W M Starkie	Nil	Nil
D R Watson	1,126	3,214

None of the above had any interest in shares or debentures of subsidiary undertakings of BP Amoco p.l.c. at 31 December 1999.

Pursuant to Section 310 of the Companies Act 1985, for the year ended 31 December 1999, policies of insurance have been 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 as directors or officers of the company.

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.

The number of days' purchases represented by trade creditors at the year-end was 34.

Post balance sheet events

On 3 April 2000 BP International Limited agreed to transfer the whole share capital of BP America Holdings to BP Amoco p.l.c.

Auditors

In accordance with Section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually and Ernst & Young continue in office.

By order of the Board



Secretary

Registered Office
Britannic House
1 Finsbury Circus
London
EC2M 7BA

20 October 2000

BP INTERNATIONAL 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 to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that they have complied with these requirements, and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

BP INTERNATIONAL LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF BP INTERNATIONAL LIMITED

We have audited the accounts on pages 5 to 20, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 5 and 6.

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 guidance.

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

Ernst & Young

Registered Auditor
London

20 October 2000

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BP INTERNATIONAL LIMITED

ACCOUNTING POLICIES

Accounting convention

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

Group accounts

Group accounts are not submitted as the company is exempt from the obligation to prepare group accounts under Section 228(1) of the Companies Act 1985. The results of subsidiary and associated undertakings are dealt with in the consolidated accounts of the ultimate parent undertaking, BP Amoco p.l.c., a company registered in England and Wales.

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 with these accounts.

Foreign currencies

Assets and liabilities of foreign currency branches are translated into sterling at closing rates of exchange, with the exception of fixed assets which are translated at the rate of exchange ruling at the date of acquisition. Income statements are translated at average rates of exchange. All other exchange gains or losses on settlement of translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit for the year.

Derivative financial instruments

The company is a party to derivative financial instruments primarily to manage exposures to fluctuations in foreign currency exchange rates and interest rates, and to manage some of its margin exposure from changes in oil prices.

All derivatives which are held for trading purposes and all oil price derivatives held for risk management purposes are marked to market and all gains and losses recognised in the income statement.

Interest rate swap agreements, swaptions and futures contracts are used to manage interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as adjustments to interest expense over the period of the contracts.

As part of exchange rate risk management, foreign currency swap agreements and forward contracts are used to convert non-US dollar borrowings into US dollars. Gains and losses on those derivatives are deferred and recognised on maturity of the underlying debt, together with the matching loss or gain on the debt. Foreign currency forward contracts and options are used to hedge significant non-US dollar firm commitments or anticipated transactions. Gains and losses on these contracts and option premia paid are also deferred and recognised in the income statement or as adjustments to carrying amounts, as appropriate, when the hedged transaction occurs.

Stock valuation

Stocks are valued at cost to the company, using the first-in first-out method or at net realisable value, whichever is the lower. Stores are stated at or below cost calculated mainly using the average method.

BP INTERNATIONAL LIMITED

ACCOUNTING POLICIES

Depreciation

Tangible and intangible fixed assets, other than freehold land, are depreciated on the straight line method over their estimated useful lives.

Environmental liabilities

Environmental expenditures that relate to current or future revenues are expensed or capitalised as appropriate. Expenditures that relate to an existing condition caused by past operations and that do not contribute to current or future earnings are expensed.

Liabilities for environmental costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

Pensions

Actuarial surpluses and deficiencies of the BP Pension Fund relating to employees of certain fellow UK subsidiaries are dealt with in the accounts of the company having regard to the overall position of the Fund. The difference between total pension costs and contributions in respect of those UK subsidiaries is included within pension provisions or debtors as appropriate.

Leases

Assets held under leases which result in the company receiving substantially all risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments. The corresponding finance lease obligation is included with borrowings. Rentals under operating leases are charged against income as incurred.

Goodwill

Goodwill is the excess of purchase consideration over the fair value of net assets acquired. It is capitalised and amortised over its estimated useful economic life, limited to a maximum period of twenty years.

Interest

Interest is capitalised during the period of construction where it relates either to the financing of major projects with long periods of development or to dedicated financing of other projects. All other interest is charged against income.

Research

Expenditure on research is written off in the year in which it is incurred.

Deferred taxation

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



BP INTERNATIONAL LIMITED
INCOME STATEMENT
For the year ended 31 December 1999

		£ million	
	Note	1999	1998
Turnover	1	18,958	17,110
Cost of sales		18,715	16,857
Gross profit		243	253
Distribution and administration expenses		219	180
		24	73
Other income	2	2,049	1,377
Operating profit	1	2,073	1,450
Profit/(loss) on disposal of fixed assets	3	68	(2)
Profit/(loss) on sale of businesses	3	10	(11)
Restructuring costs	3	(151)	-
Profit before interest and tax		2,000	1,437
Interest expense	4	564	532
Profit before taxation		1,436	905
Taxation charge	9	2	73
Profit for the year		1,434	832
Distribution to shareholder		2,506	1,008
Retained (loss) for the year		(1,072)	(176)

There are no recognised gains or losses attributable to the shareholders of the company other than the profit of £1,434 million for the year ended 31 December 1999 (1998 profit of £832 million).


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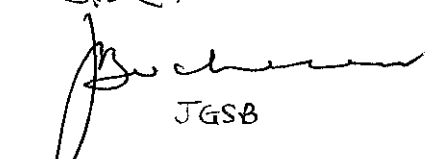
BP INTERNATIONAL LIMITED

BALANCE SHEET
At 31 December 1999

£ million

	Note	1999	1998
Fixed assets			
Intangible assets	10	29	2
Tangible assets	11	1,359	1,180
Investments	12	5,308	4,917
		<u>6,696</u>	<u>6,099</u>
Current assets			
Stocks	13	187	152
Debtors - amounts falling due:			
Within one year	14	7,235	4,113
After more than one year	14	5,740	6,241
Cash at bank and in hand		360	618
		<u>13,522</u>	<u>11,124</u>
Creditors - amounts falling due within one year			
Finance debt	15	41	37
Other creditors	16	13,151	11,617
		<u>13,192</u>	<u>11,654</u>
Net current assets/(liabilities)		<u>330</u>	<u>(530)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,026</u>	<u>5,569</u>
Creditors - amounts falling due after more than one year			
Finance debt	15	958	889
Other creditors	16	4,901	2,450
		<u>5,859</u>	<u>3,339</u>
Provision for liabilities and charges			
Deferred taxation	9	37	37
Other provisions	17	9	-
		<u>46</u>	<u>37</u>
SHAREHOLDERS' INTEREST		<u>1,121</u>	<u>2,193</u>
Represented by			
Capital and reserves			
Called up share capital	18	1	1
Reserves		1,120	2,192
		<u>1,121</u>	<u>2,193</u>
SHAREHOLDERS' FUNDS - EQUITY INTERESTS	19	<u>1,121</u>	<u>2,193</u>

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X  X
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Director

Director



20 October 2000

BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

1. Turnover

Turnover comprises sales and other operating revenue, all of which falls within the UK geographic area and also includes the UK based international oil and gas activities.

Activity analysis	Turnover		£ million	
	1999	1998	1999	1998
Oil	17,523	15,776	28	60
Chemicals	1,423	1,315	(26)	48
Corporate and other	150	140	2,071	1,342
Less: inter-activity sales	(138)	(121)	-	-
	<u>18,958</u>	<u>17,110</u>	<u>2,073</u>	<u>1,450</u>

Corporate and other includes management, financial activities and gas operations.

Corporate operating profit includes an exchange profit in respect of exchange translation on long term assets and liabilities of £9 million (1998 £80 million loss).

2. Other income

	£ million	
	1999	1998
Income from subsidiary undertakings		
Dividends	1,631	856
Interest and miscellaneous income	329	441
	<u>1,972</u>	<u>1,297</u>
Interest from parent and fellow subsidiary undertakings	44	37
Other interest and miscellaneous income	45	43
	<u>2,049</u>	<u>1,377</u>

See

BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

3. Exceptional items

Exceptional items comprise the profit on disposal of fixed assets and the loss on sale or termination of operations as follows:-

	£ million	
	1999	1998
Profit/(loss) on sale of fixed assets	68	(2)
Profit/(loss) on sale of businesses	10	(11)
Restructuring costs	(151)	-
	<hr/>	<hr/>
	(73)	(13)
	<hr/>	<hr/>

The profit on sale of fixed assets in 1999 relates mainly to the company's divestment of the olefins cracker at Wilton.

The profit on sale of businesses in 1999 relates to the company's disposal of the Verdugt acid salts business.

The loss on sale of businesses in 1998 relates to the company's disposal of its Chemicals bottles and closure division and Adibis fuel additives business.

Restructuring costs for 1999 comprise employee severance costs, office closure costs for the Chemicals business at Baglan and additional depreciation on obsolete plant.

4. Interest and other similar charges

	£ million	
	1999	1998
Interest expense		
Parent and fellow subsidiary undertakings	500	471
Finance leases	40	50
Other	24	11
	<hr/>	<hr/>
	564	532
	<hr/>	<hr/>

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BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

5. Depreciation, exchange, hire, research and audit costs

	£ million	
	1999	1998
Depreciation	<u>158</u>	<u>70</u>
Depreciation of capitalised leased assets included above	<u>25</u>	<u>21</u>
Hire charges under operating leases		
Plant and machinery	2	5
Land and buildings	<u>15</u>	<u>13</u>
	<u>17</u>	<u>18</u>
Expenditure on research	<u>38</u>	<u>55</u>
Exchange loss	<u>(3)</u>	<u>(79)</u>
Auditors' remuneration:		£'000
	1999	1998
Audit fees	<u>872</u>	<u>868</u>
Fees for other services to the company and its UK subsidiary undertakings - Ernst & Young	<u>4,114</u>	<u>733</u>

6. Employees

BP International Limited does not directly employ any staff.

7. Pensions

The BP Amoco Group's principal UK pension plan (the BP Pension Fund) is separately funded and provides benefits that are computed based on an employee's years of service and final pensionable salary. Contributions are made to the BP Pension fund by certain fellow UK subsidiary undertakings 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. Having regard to the overall position 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 this company. Details of the most recent actuarial valuation of the BP Pension Fund as at 1 January 1999 are included within the financial statements of the ultimate parent undertaking. No contributions have been paid by the Company for the year ended 31 December 1999 (1998 - £nil). The credit to profit for the year for pensions is £129 million (1998 £145 million).

BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

8. Directors' emoluments

The chairman and one other director are directors of BP Amoco p.l.c (the ultimate parent undertaking) in whose accounts the information required by the Companies Act 1985, as to emoluments, is given. The remaining directors are senior executives of, and are remunerated by, BP Amoco p.l.c. and received no remuneration for services to this company or its subsidiary undertakings.

9. Taxation

	1999	£ million 1998
United Kingdom corporation tax		
Current at 31% (1998 31.5%)	224	460
Overseas taxation relief	(224)	(341)
	<hr/>	<hr/>
	-	119
Advance corporation tax	-	(46)
	<hr/>	<hr/>
	-	73
Overseas taxation	2	-
	<hr/>	<hr/>
	2	73
	<hr/>	<hr/>

United Kingdom taxation - the company is a member of a group for the purposes of group relief under Section 402 of the Income and Corporation Taxes Act 1998.

A £2 million (1998 £73 million charge) tax charge has arisen in respect of the group's taxable profits derived from non-North Sea activities, after taking account of the attributable overseas taxation relief. No provision for deferred taxation was made in 1999 (1998 £ nil).

Deferred taxation of £37 million (1998 £37 million) has been provided in the accounts in respect of Capital Allowances received in advance of depreciation.

The gross potential liability for deferred taxation in respect of the group's non-North Sea activities at 31 December 1999 was £228 million (1998 £273 million). If provision had been made in the accounts on the basis of the gross potential liability there would have been a credit of £45 million (1998 £39 million credit).

The gross potential liability for deferred taxation for the company at 31 December 1999 comprises tax in respect of:-

	1999	£ million 1998
Depreciation	79	67
Other items	(120)	(161)
	<hr/>	<hr/>
	(41)	(94)
	<hr/>	<hr/>

If provision had been made in the accounts of the company on the basis of the gross potential liability there would have been a charge of £53 million (1998 £194 million credit).

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BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

10. Intangible assets

	Goodwill	Other	£ million Total
Cost			
At 1 January 1999	-	29	29
Additions	27	-	27
At 31 December 1999	<u>27</u>	<u>29</u>	<u>56</u>
Depreciation			
At 1 January 1999	-	27	27
Charge for year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1999	<u>-</u>	<u>27</u>	<u>27</u>
Net book amount			
At 31 December 1999	<u>27</u>	<u>2</u>	<u>29</u>
At 31 December 1998	<u>-</u>	<u>2</u>	<u>2</u>
Principal rate of depreciation	20%	20%	20%

The goodwill arose on the acquisition of the UK aviation fuel supply and marketing business from BP Oil UK Limited, a subsidiary of the company, on 31 May 1999.

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BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

11. Tangible assets - property, plant and equipment

	£ million				
	Chemicals	Oil	Corporate and other	Total	of which: Assets under construction
Cost					
At 1 January 1999	2,080	43	144	2,267	299
Additions	251	1	35	287	251
Deletions	(66)	(11)	(4)	(81)	-
Transfer from subsidiary undertaking	0	84	1	85	(104)
At 31 December 1999	2,265	117	176	2,558	446
Depreciation					
At 1 January 1999	982	33	72	1087	
Charge for year	124	26	8	158	
Deletions	(59)	(10)	(2)	(71)	
Transfer from subsidiary undertaking	-	25	-	25	
At 31 December 1999	1,047	74	78	1,199	
Net book amount					
At 31 December 1999	1,218	43	98	1,359	446
At 31 December 1998	1,098	10	72	1,180	299
Principal rates of depreciation	3-12%	10-25%	3-25%		

Assets held under finance leases, capitalised interest and land at net book amount included above:

	Leased assets			Capitalised interest			Freehold land
	Cost	Dep'n	Net	Cost	Dep'n	Net	
At 31 December 1999	661	237	424	7	7	-	1
At 31 December 1998	661	211	450	7	7	-	1

529

BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

12. Fixed assets - investments

	£ million			
	Subsidiary undertakings Shares	Associated undertakings Shares	Other Loans	Total
Cost				
At 1 January 1999	4,963	46	1	5,010
Additions	389	-	-	389
Deletions	(15)	-	-	(15)
Transfer from subsidiary undertaking	-	3	4	7
At 31 December 1999	5,337	49	5	5,391
Amounts provided				
At 1 January 1999	93	-	-	93
Provided in the year	-	-	-	-
Deletions	(10)	-	-	(10)
Transfer from subsidiary undertaking	-	-	-	-
At 31 December 1999	83	-	-	83
Net book amount				
At 31 December 1999	5,254	49	5	5,308
At 31 December 1998	4,870	46	1	4,917

The more important investments in subsidiary and associated undertakings as at 31 December 1999 are set out in note 25.

13. Stocks

	£ million	
	1999	1998
Oil	61	34
Chemicals	86	73
	<hr/>	<hr/>
	147	107
Stores	40	45
	<hr/>	<hr/>
	187	152
	<hr/>	<hr/>
Replacement cost	187	153
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BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

14. Debtors

	£ million			
	Within 1 Year	1999 After 1 Year	Within 1 Year	1998 After 1 Year
Trade	1,138	-	404	-
Subsidiary undertakings	4,574	4,412	2,980	5,224
Parent and fellow subsidiary undertakings	694	283	312	85
Associated undertakings	191	6	128	16
Prepayments and accrued income	281	-	175	-
Pension prepayment	-	1,034	-	905
Advance corporation tax recoverable	184	-	49	-
Other	173	5	65	11
	7,235	5,740	4,113	6,241

15. Finance debt

	£ million			
	Within 1 Year	1999 After 1 Year	Within 1 Year	1998 After 1 Year
Bank loans and overdrafts	19	29	5	2
Obligations under finance leases	22	929	32	887
	41	958	37	889

There were no bank loans and overdrafts repayable after 5 years.

The company had undrawn borrowing facilities available amounting to £1,854 million (1998 £1,198 million), which were covered by formal commitments.

Obligations under finance leases:	£ million	
	1999	1998
Minimum future lease payments		
Payable within:		
1 Year	22	32
2 to 5 years	336	318
Thereafter	2,102	2,169
	2,460	2,519
Less finance charges	1,509	1,600
Net obligations	951	919

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BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

16. Other creditors

	£ million			
	Within 1 Year	1999 After 1 Year	Within 1 Year	1998 After 1 Year
Trade	1,399	-	639	-
Subsidiary undertakings	2,298	3,477	4,157	1,059
Parent and fellow subsidiary undertakings	8,658	1,424	5,971	1,381
Associated undertakings	-	-	45	9
Taxation on profits	227	-	354	-
Accruals and deferred income	286	-	356	-
Other	283	-	95	1
	<u>13,151</u>	<u>4,901</u>	<u>11,617</u>	<u>2,450</u>

17. Provisions

	£ million		
	Environmental	Other	Total
At 1 January	-	-	-
Exchange adjustments	-	-	-
Charged to income	9	-	9
Utilised during the year	-	-	-
At 31 December	<u>9</u>	<u>-</u>	<u>9</u>

The provision for environmental liabilities represents remediation costs for closed chemical sites. These costs are expected to be incurred over the next 10 years.

Other provisions are expected rental shortfalls on surplus properties, to the extent that these liabilities are not expected to be settled within the next three years.

18. Called up share capital

	£ million	
	1999	1998
Authorised, share capital:		
3,001,000,000 ordinary shares of £1 each	<u>3,001</u>	<u>1</u>
Allotted, called up and fully paid:		
1,000,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

On 13 December 1999, the authorised share capital of the company was increased to £3,001 million, by the creation of 3,000,000,000 ordinary shares of £1 each.

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BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

19. Reconciliation of movements in shareholders' interest

	£million		
	Share capital	Profit & loss account	Total
At 1 January 1998	1	2,368	2,369
Profit for the year	-	832	832
Distribution to shareholders	-	(1,008)	(1,008)
At 1 January 1999	1	2,192	2,193
Profit for the year	-	1,434	1,434
Distribution to shareholders	-	(2,506)	(2,506)
At 31 December 1999	1	1,120	1,121

20. Contingent liabilities

There were contingent liabilities at 31 December 1999 in respect of guarantees and indemnities entered into as part of, and claims arising from, the ordinary course of the company's business, including borrowing by its subsidiary undertakings, upon which no material losses are likely to arise.

21. Capital commitments

Authorised future capital expenditure for which contracts have been placed at 31 December 1999 amounted to £201 million (1998 £260 million).

22. Post balance sheet event

On 3 April 2000 BP International Limited agreed to transfer the whole share capital of BP America Holdings Limited to BP Amoco p.l.c.

23. Related party transactions

As the company is a wholly owned subsidiary of BP Amoco p.l.c., in accordance with the provisions of FRS 8, the company is not required to disclose transactions with group companies and associated undertakings.

24. Lease commitments

	£ million	
Annual commitments under operating leases:		
	1999	1998
	Land and buildings	Land and buildings
Expiring within:		
1 year	-	-
2 to 5 years	1	1
Thereafter	12	12
	<u>13</u>	<u>13</u>

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BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

25. Subsidiary and associated undertakings

The more important subsidiary and associated undertakings of the company at 31 December 1999 and the percentage of equity capital held (to the nearest whole number) are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name. Those held directly by the company are marked with an asterisk. A complete list of investments in subsidiary and associated undertakings has been attached to the parent company's annual return made to the Registrar of Companies.

Subsidiary undertakings	%	Country of incorporation	Principal Activities	
INTERNATIONAL				
*BP Chemicals Investments	100	England & Wales	Chemicals	
*BP Exploration Company	100	Scotland	Exploration and production	
BP Exploration Operating Company	100	England & Wales	Exploration and production	
*BP Oil International	100	England & Wales	Integrated oil operations	
EUROPE				
UK				
*BP Amoco Capital p.l.c.	100	England & Wales	Finance	
BP Chemicals	100	England & Wales	Chemicals	
*BP Oil UK	100	England & Wales	Refining and marketing	
PORTUGAL				
*BP Portuguesa	100	Portugal	Marketing	
AUSTRALASIA				
AUSTRALIA				
BP Developments Australia	100	USA	Exploration and production	
FAR EAST				
*BP Asia Pacific Holdings	100	England & Wales	Holding company	
WESTERN HEMISPHERE				
USA				
*BP America Holdings	100	England & Wales	Holding company for BP America	
BP America) Standard Oil)	100	USA	Exploration and production, refining and marketing, pipelines and chemicals.	
Associated undertakings	%	Country of incorporation	Principal activity	Issued Share Capital
AFRICA				
The Consolidated Petroleum Company	50	England & Wales	Marketing	350,000 shares of £10
FAR EAST				
PT Kaltim Prima Coal	50	Indonesia	Coalmining and Marketing	300,000 shares of US\$100 each

The investments in subsidiary and associated undertakings are unlisted.

BP INTERNATIONAL LIMITED

NOTES ON ACCOUNTS

26. Ultimate parent undertaking

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

