

542515

124

BP INTERNATIONAL LIMITED

(formerly BP Trading Limited)

NOTICE is hereby given that the twenty-sixth annual general meeting of the Company will be held at Britannic House, Moor Lane, London EC2Y 9BU, on Friday, 30 October 1981 at 12 noon for the transaction of the following business:—

1. To adopt the report of the Directors and the Accounts for the year ended 31 December 1980.
2. To re-elect Directors and Deputy Directors.
3. To reappoint Ernst & Whinney as Auditors.
4. To authorise the Board to fix the remuneration of the Auditors.

By order of the Board,
C. STEVENS,
Assistant Secretary.

Britannic House,
Moor Lane,
London, EC2Y 9BU.
30 October 1981.

A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him. A proxy need not be a member of the Company.

Secretary

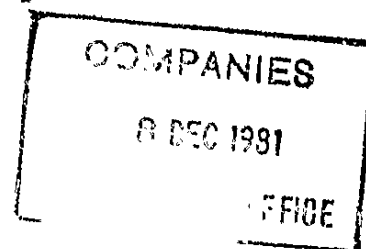
J. E. WEDGBURY

Registered office

BRITANNIC HOUSE, MOOR LANE,
LONDON EC2Y 9BU.

Auditors

ERNST & WHINNEY



BP INTERNATIONAL LIMITED

(formerly BP Trading Limited)

REPORT OF THE DIRECTORS

The Directors submit their report and the accounts for the year ended 31 December 1980.
Board of Directors

SIR DAVID STEEL, D.S.O., M.C., T.D. (Chairman)

R. W. ADAM
R. BEXON
DR. J. BIRKS, C.B.E.
B. R. R. BUTLER
P. G. CAZALET
P. J. GILLAM
W. P. C. GRASSICK
A. T. GREGORY
R. B. HORTON

DR. W. KIRSTEN (Deputy R. S. BATEMAN)
G. A. LEE (Deputy A. P. JENKINS)
W. A. L. MANSON
Q. M. MORRIS
H. E. NORTON
M. R. RENDLE
D. A. G. SARRE
P. I. WALTERS

Directors appointed were—Mr. R. B. Horton (1 November 1980), Messrs. R. Bexon and B. R. R. Butler (5 January 1981), Messrs. J. P. du Cane, W. A. L. Manson and Dr. W. Kirsten (1 March 1981), and Mr. H. E. Norton (1 April 1981). Directors retiring were—Mr. L. R. Burchell (31 October 1980), Mr. F. K. Rickwood (4 January 1981), Messrs. T. R. D. Belgrave and J. W. R. Sutcliffe (31 March 1981), Mr. C. C. F. Laidlaw (5 July 1981) and Mr. J. P. du Cane (31 August 1981). Messrs. R. S. Bateman and A. P. Jenkins were appointed deputy directors with effect from 1 March 1981. With the exception of Messrs. R. Bexon, B. R. R. Butler, R. B. Horton, W. A. L. Manson, H. E. Norton and Dr. W. Kirsten all the other directors listed above were directors throughout the financial year. In accordance with the Articles of Association Mr. R. S. Bateman, Mr. R. Bexon, Mr. B. R. R. Butler, Mr. A. P. Jenkins, Dr. W. Kirsten, Mr. W. A. L. Manson and Mr. H. E. Norton now retire and, being eligible, offer themselves for re-election.

The interests of the directors, other than directors of the ultimate holding company, and their families in the shares of The British Petroleum Company Limited, were as set out below:—

	Type of Share	1 January 1980 or date of appointment	31 December 1980
T. R. D. Belgrave	25p ordinary	274	574
P. G. Cazalet	25p ordinary	4,474	4,624
P. J. Gillam	25p ordinary	274	574
W. P. C. Grassick	25p ordinary	274	574
A. T. Gregory	25p ordinary	474	774
R. B. Horton	25p ordinary	1,128	1,428
G. A. Lee	25p ordinary	1,874	2,174
Q. M. Morris	25p ordinary	961	1,111
M. R. Rendle	25p ordinary	699	849
F. K. Rickwood	25p ordinary	274	574
D. A. G. Sarre	25p ordinary	618	918

The above directors, with the exception of Mr. R. B. Horton, each had options to subscribe for 353 ordinary shares through the BP Group Savings-Related Share Option Scheme.

The company is engaged in refining and marketing of crude oil and products including chemicals and provides services to other group companies; it also holds investments in subsidiary companies engaged in similar activities.

The company changed its name from BP Trading Limited on 1 March 1981.

The profit after taxation was £991.4 million, which when added to retained profit brought forward gives a total of £2,297.9 million, from which an interim dividend of £400 million has been deducted leaving a balance to be carried forward of £1,897.9 million.

Exports from the United Kingdom during the year amounted to £2,260 million.

Ernst & Whinney have expressed their willingness to continue in office as Auditors and in accordance with Section 14 of the Companies Act 1976 a resolution proposing their reappointment as Auditors of the Company will be put to the members at the annual general meeting.

By order of the Board,
C. STEVENS
Assistant Secretary.


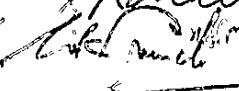
Britannic House,
Moor Lane,
London, EC2Y 9BU.
30 October 1981.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1980

	Note	1980 £m	1979 £m
Turnover	3	12,312.3	12,475.1
Trading profit			
Dividends from subsidiary companies	4	20.5	347.9
Increase in net worth of subsidiaries		194.8	270.5
Dividends from associated companies		795.0	510.0
Increase in net worth of associated companies		5.0	1.7
Profit before taxation		1,015.3	1,133.1
Taxation—Overseas		5.9	16.2
U.K. corporation tax	6	23.2	177.0
Overseas taxation relief		(5.2)	(19.0)
Profit after taxation		23.9	174.2
Retained profit at 1 January		991.4	958.9
		1,306.5	2,047.6
Interim dividend		2,297.9	3,006.5
		400.0	1,700.0
Retained profit at 31 December		1,897.9	1,306.5

BALANCE SHEET AT 31 DECEMBER 1980

	Note	1980 £m	1979 £m
Properties and operating assets			
Investment in subsidiary companies	7	352.4	317.0
Investment in associated companies	8	3,276.6	3,010.4
Long-term receivables	9	33.8	30.1
Current assets		7.5	6.2
Stores		23.7	20.0
Stocks of oil and chemicals		348.0	553.2
Debtors		369.6	555.8
Bank balances and cash		5.6	17.0
Less:			
Current liabilities		746.9	1,146.0
Creditors		352.8	915.2
Taxation		176.0	158.0
Acceptance credit facilities		97.0	100.0
Provisions		1.9	1.9
Net current assets/(liabilities)		627.7	1,175.1
Other liabilities		119.2	(29.1)
Deferred liabilities		3,789.5	3,334.6
Amounts received in advance		11.7	12.6
		1.7	3.6
Financed by:		13.4	16.2
Share capital		3,776.1	3,318.4
Retained profit	10	1.0	1.0
	2	1,897.9	1,306.5
Exchange fluctuation account		1,898.9	1,307.5
Group indebtedness	11	—	5.3
		1,877.2	2,005.6
		3,776.1	3,318.4

 P. I. WALTERS
 W. P. C. GRASSICK } Directors
 30 October 1981.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1980 £m	1979 £m
Source of funds		
Profit before taxation	1,016.3	1,133.1
Depreciation	35.1	22.9
	<u>1,050.4</u>	<u>1,156.0</u>
Disposal of fixed assets	2.1	3.0
(Increase)/decrease in long-term receivables	(1.3)	4.7
	<u>1,051.2</u>	<u>1,163.7</u>
Application of funds		
Decrease/(increase) in group indebtedness	128.4	(1,954.7)
Increase in investment in subsidiary companies	266.2	1,485.7
Increase in investment in associated companies	3.7	5.5
Purchase of assets from group companies	2.7	12.1
	<u>401.0</u>	<u>(451.4)</u>
Purchase of properties and operating assets	69.9	71.6
Exchange fluctuation account	5.3	6.2
Decrease in deferred liabilities	0.9	0.9
Decrease in amounts received in advance	1.9	2.0
Dividend	400.0	1,700.0
Taxation	0.9	16.2
	<u>884.9</u>	<u>1,345.5</u>
Increase/(decrease) in working capital	166.3	(181.8)
	<u>1,051.2</u>	<u>1,163.7</u>
Increase/(decrease) in working capital		
Stores	3.7	1.7
Stocks of oil and chemicals	(205.2)	119.1
Debtors	(186.2)	(22.7)
Liquid resources	(11.4)	(1.6)
Current liabilities	565.4	(278.3)
	<u>166.3</u>	<u>(181.8)</u>

NOTES TO THE ACCOUNTS

(1) Accounting policies

- The accounts are prepared under the historical cost convention.
- The company does not prepare consolidated accounts but incorporates dividends received from subsidiary companies. Net income reflects the adjustment of the investment in subsidiary companies to include the underlying net book value of those companies and their major subsidiaries and associated companies.
- The company's share of profits (less losses) of directly held associated companies is reflected in the net income by the inclusion of dividends received from those companies and the adjustment of the investment in associated companies to reflect the underlying net book value of those companies.
- Depreciation on properties and operating assets is calculated on a straight line basis over their estimated useful lives.
- Stocks of oil and chemicals are valued at the lower of cost including overheads, using the "first-in first-out" method, and net realisable value. Stores are stated at or below cost calculated mainly using the average method.
- Assets and liabilities in currencies other than sterling are translated into sterling at the year-end rates of exchange. Exchange fluctuations on current balances are included in the determination of income as are those relating to long-term advances and amounts received in advance to the extent that they are not offset by existing credit balances on exchange fluctuation account.
- Expenditure on research is wholly written off in the year in which it is incurred.
- Deferred taxation is calculated using the liability method.

- Group accounts** are not submitted as BP International Limited is wholly-owned by The British Petroleum Company Limited. In the opinion of the directors of the company, the aggregate value of shares in and amounts owing from the company's subsidiaries is not less than the amounts at which these are shown in the balance sheet. Accordingly the company's retained profit substantially reflects undistributed reserves of its subsidiary companies and major associated companies.

NOTES TO THE ACCOUNTS (continued)

(3) **Turnover** comprises sales proceeds excluding customs duties and sales taxes.

(4) **Trading profit** is arrived at after charging/(crediting):—

	1980	1979
	£m	£m
Depreciation	35.1	22.9
Hire of plant and machinery	20.4	17.9
Auditors' remuneration	0.1	0.1
Interest on acceptance credit facilities	17.1	12.9
Interest receivable	(283.6)	(232.2)

(5) **Directors' emoluments**

Directors of the company are managing directors or senior executives of The British Petroleum Company Limited in whose accounts information required by the Companies Act 1967, as to emoluments, is shown.

(6) **United Kingdom taxation**—the Corporation Tax charge reflects the fact that the company is a member of a group for the purposes of group relief under Section 258 of the Income and Corporation Taxes Act 1970. Corporation Tax which has been provided at 52 per cent on the taxable profits for the year is partially covered by double tax relief. Provision for deferred taxation is not required as it is considered that no liability in respect thereof will arise in the foreseeable future. If full provision were made the charge for taxation would have decreased by £45.7 million (1979 increased by £65.8 million) in respect of timing differences between the accounting and tax treatment of depreciation and, for the current year, after eliminating the amount relating to stock relief which is no longer regarded as a timing difference following the Finance Act 1981. The potential amount of deferred taxation at 31 December comprises tax in respect of:—

	1980	1979
	£m	£m
Depreciation	153.2	137.1
Stock Relief	—	39.9
Other items	(30.6)	(8.7)
	<u>122.6</u>	<u>168.3</u>

No provision has been made for UK taxation or foreign withholding taxes that would be payable if the undistributed reserves of subsidiary companies were to be distributed as the directors do not anticipate that such distributions would be required in the foreseeable future.

(7) **Properties and operating assets**

Cost												£m
At 1 January	..	..	..	..	..	..	..	..	..	..	..	509.2
Additions	..	..	..	..	..	..	..	..	..	..	..	69.9
Transfers from group companies	..	..	..	..	..	..	..	..	..	..	..	2.8
												<u>581.9</u>
Disposals	..	..	..	..	..	..	..	..	..	..	..	4.6
At 31 December	..	..	..	..	..	..	..	..	..	..	..	<u>577.3</u>
Depreciation												
At 1 January	..	..	..	..	..	..	..	..	..	..	..	192.2
Transfers from group companies	..	..	..	..	..	..	..	..	..	..	..	0.1
Charge for year	..	..	..	..	..	..	..	..	..	..	..	35.1
												<u>227.4</u>
Relating to disposals	..	..	..	..	..	..	..	..	..	..	..	2.5
At 31 December	..	..	..	..	..	..	..	..	..	..	..	<u>224.9</u>
Net book amount												
At 31 December 1980	..	..	..	..	..	..	..	..	..	..	..	<u>352.4</u>
At 31 December 1979	..	..	..	..	..	..	..	..	..	..	..	<u>317.0</u>

Principal rates of depreciation are:—

Buildings	Process and Research Plants	Motor Vehicles, etc.
5%	10-20%	20%

The net fixed assets of £352.4 million includes £1.7 million in respect of freehold land, £0.3 million for leases with more than 50 years unexpired, and £0.2 million for other leases.

Authorised future capital expenditure is estimated at £189.9 million including approximately £26.6 million for contracts which have been placed.

NOTES TO THE ACCOUNTS (continued)

(8) Investment in subsidiary companies

	1980 £m	1979 £m
Shares	575.6	668.8
Advances	2,663.3	3,038.9
	3,238.9	3,767.7
Profits less losses of subsidiaries and their major associated companies	37.7	(757.3)
	3,276.6	3,010.4

Listed below are the more important subsidiary companies as at 31 December 1980 showing the percentage of equity share capital held:—

	%	Country of Incorporation	Principal Activities
(a) Held by this company			
BP Capital Ltd.	100	England	Finance
BP Chemicals International Ltd	100	England	Chemicals
BP Coal Ltd.	100	England	Coal production overseas
BP Shipping Ltd.	100	England	Oil transportation
BP Minerals International Ltd.	100	England	Minerals exploration
BP Nutrition Ltd.	100	England	Nutrition
BP Gas Ltd.	100	England	Natural gas
British Petroleum B.V.	100	Netherlands	Holding company
The British Petroleum Company of Australia Ltd.	100	Australia	Holding company
BP Exploration Co. Ltd.	100	Scotland	Holding company
(b) Held by subsidiary companies			
BP Oil Ltd.	100	England	Refining and marketing
BP Chemicals Ltd.	100	England	Chemicals
BP Oil Development Ltd.	100	England	Oil production
BP Petroleum Development Ltd.	100	England	Oil and gas exploration and production
British Petroleum (Overzee) B.V.	100	Netherlands	Holding and finance company
The Standard Oil Co. (Sohio)	53	U.S.A.	Integrated oil operations
BP Pipelines Inc.	100	U.S.A.	Pipeline company
BP North America Trading Inc.	100	U.S.A.	Marketing
Clutha Development Pty. Ltd.	100	Australia	Coal production and marketing

A full list of subsidiary companies will be attached to the Company's Annual Return.

There is a contingent liability for calls not yet made on shares in a subsidiary company amounting to £38.9 million.

(9) Investment in associated companies

	1980 £m	1979 £m
Cost of investment	16.8	18.1
Profits less losses	17.0	12.0
	33.8	30.1

The associated companies are:—

	Country of Incorporation	Type of share	Percentage held
The Consolidated Petroleum Co. Ltd.	England	B	50
OMISCO Ltd.	England	Ordinary	50
SubOcean Services Ltd.	England	Ordinary	25
SubOcean Services Inc.	U.S.A.	—	25
Sub Sea International Inc.	U.S.A.	—	50
Subaqua Services International Inc.	Panama	—	50
Submersible Systems Inc.	Panama	—	50
Combustion Systems Ltd.	England	Ordinary	50
Oil Plus Ltd.	England	B	50
Sub Sea Offshore Ltd.	England	Ordinary	50
Sonarmarine Ltd.	England	Ordinary	20
Fluidised Combustion Contractors Ltd.	England	Ordinary	50
Coal Processing Consultants Ltd.	England	Ordinary	33½
Aberdeen Tree Nurseries Ltd.	Scotland	A	50
Southwood Heights Management Co. Ltd.	England	Ordinary	33½

NOTES TO THE ACCOUNTS (continued)**(10) Share capital**

Authorised and issued 1,000,000 shares of £1 each.

(11) Group indebtedness

	1980 £m	1979 £m
Amount owing to The British Petroleum Company Limited (including dividends payable £400 million—1979 £418 million)	1,870.6	2,480.5
Amounts owing to subsidiary companies	247.8	482.8
Amounts owing to fellow subsidiary companies	746.5	237.3
	<u>2,864.9</u>	<u>3,200.6</u>
Less: Amounts owing by fellow subsidiary companies	987.7	1,195.0
	<u>1,877.2</u>	<u>2,005.6</u>

(12) Ultimate holding company

The ultimate holding company is The British Petroleum Company Limited, a company incorporated in England.

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of BP International Limited (formerly BP Trading Limited) set out above. These have been prepared under the historical cost convention. Our audit has been carried out in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs at 31 December 1980 and of the profit, change in retained profit, and source and application of funds for the year then ended and comply with the Companies Acts, 1948 to 1980.

ERNST & WHINNEY

Chartered Accountants.

London, 30 October 1981.