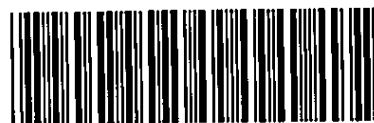


**BP TRADING LIMITED**  
**(Registered No.01033761)**

**ANNUAL REPORT AND ACCOUNTS 2008**



LD3      24/09/2009      349  
 COMPANIES HOUSE

Board of Directors:    R C Fearnley  
                                   A L Shaw  
                                   F W M Starkie

**REPORT OF THE DIRECTORS**

The directors present their report and accounts for the year ended 31 December 2008.

**Results and dividends**

The loss for the year after taxation was \$5,172,000 which, when added to the restated retained deficit brought forward at 1 January 2008 of \$15,219,000, gives a total retained deficit carried forward at 31 December 2008 of \$20,391,000. The directors do not propose the payment of a dividend.

**Principal activity and review of the business**

The company provides services to other undertakings within the BP Group which operate in the Russian Federation. The services are provided through the company's representative office based in Moscow.

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

	2008	2007 Restated	Variance
	\$000	\$000	%
Turnover	19,015	5,323	257
Operating (loss) / profit	(1,730)	1,213	(243)
Loss after taxation	(5,172)	(976)	430
Shareholders' funds	11,246	16,418	(32)
Current assets as % of current liabilities (quick ratio)	272%	128%	112%

During the year the company has signed an agency agreement as well as various service level agreements with other undertakings within the BP Group. Based on these agreements the company provides legal, accounting, payroll, health and safety, security and managements services, for either an agency or an administration fee. The increase in turnover is therefore due to the increased amount of the agency and administration fees that the company was entitled to during the year as a result of the increased level of the services provided.

The increase in operating loss is mainly due to an increase in operating costs incurred by the company for the provision of services to other undertakings within the BP Group which have not been recovered at the end of the year. This has been partially offset by an increase in the rental income received from lease and sub-lease agreements in place with other undertakings within the BP Group.

**BP TRADING LIMITED**  
**REPORT OF THE DIRECTORS**

**Principal activity and review of the business (continued)**

The loss after taxation has increased mainly as a result of the increase in operating loss as well as the increase in interest payable and taxation.

The decrease in shareholders' funds is due to the loss for the year.

The improvement in the quick ratio is mainly attributable to the fact that the loan facility of \$19,500,000 with another undertaking within the BP Group has been renewed in December 2008 until 31 December 2011. This facility has been classified as a non-current liability and as such it has not been included in the quick ratio calculation.

**Principal risks**

The company's business activity is entirely with other undertakings within the BP Group hence no specific risks have been identified.

**Future developments**

Despite the negative financial results for the year, the directors believe that the company is in a position to meet its liabilities as they fall due for the foreseeable future.

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

**Directors**

The present directors are listed on page 1.

Mr R C Fearnley and Mr F W M Starkie served as directors throughout the financial year. Changes since 1 January 2008 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
Shaw, Anne Louise	31/03/2009	-

**Directors' indemnity**

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006.

**Auditors**

Ernst & Young LLP will continue in office as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985.

**BP TRADING LIMITED**

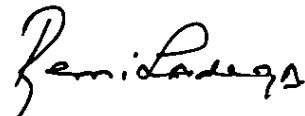
**REPORT OF THE DIRECTORS**

**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

  
Secretary

22 September 2009

Registered Office:

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP

## **BP TRADING LIMITED**

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

The directors are responsible for preparing the accounts in accordance with applicable United Kingdom law and United Kingdom generally accepted accounting practice.

Company law requires the directors to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and the loss for the year. In preparing these accounts, the directors are required:

- To select suitable accounting policies and then apply them consistently;
- To make judgements and estimates that are reasonable and prudent;
- To state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- To 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 that disclose with reasonable accuracy at any time the financial position of the company and 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 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 TRADING LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BP TRADING LIMITED**

We have audited the company's accounts for the year ended 31 December 2008 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 22. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the accounts.

**Ernst & Young LLP**

Ernst & Young LLP

Registered auditor

London

**23 September 2009**

**BP TRADING LIMITED**  
**ACCOUNTING POLICIES**

**Accounting standards**

These accounts are prepared in accordance with applicable UK accounting standards.

**Accounting convention**

The accounts are prepared under the historical cost convention.

**Statement of cash flows**

The group accounts of the ultimate parent undertaking contain a consolidated cash flow statement. The company has taken advantage of the exemption granted by the Financial Reporting Standard No. 1 (Revised), whereby it is not required to publish its own cash flow statement.

**Revenue recognition**

Revenue arising from the provision of services is recognised when the significant risks and rewards of ownership have passed to the buyer and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the services provided in the normal course of business, net of discounts, customs duties and sales taxes.

**Foreign currency transactions**

Foreign currency transactions are initially recorded in dollars by applying the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are translated into dollars at the rate of exchange ruling at the balance sheet date. Exchange differences are included in the profit and loss account.

**Interest**

Interest is charged against income in the year in which it is incurred.

**Intangible assets**

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.

**Tangible fixed assets**

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price and any costs directly attributable to bringing the asset into operation. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

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

## **BP TRADING LIMITED**

### **ACCOUNTING POLICIES**

#### **Impairment of intangible assets and tangible fixed assets**

The company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the company makes an estimate of its recoverable amount. An asset group's recoverable amount is the higher of its net realisable value and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### **Trade and other debtors**

Trade and 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 group will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

#### **Trade and other creditors**

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

#### **Leases**

Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

#### **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.

**BP TRADING LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

		2008	2007
		\$000	Restated \$000
<b>Turnover</b>	<b>Note 1</b>	19,015	5,323
Administration expenses		(22,638)	(4,751)
Other income	<b>4</b>	1,893	641
<b>Operating (loss) / profit</b>	<b>2</b>	(1,730)	1,213
Profit on disposal of fixed assets	<b>5</b>	83	93
<b>(Loss) / profit on ordinary activities before interest and tax</b>		(1,647)	1,306
Interest payable and similar charges	<b>6</b>	(3,083)	(2,042)
Interest receivable and similar income	<b>7</b>	1,280	1,131
<b>(Loss) / profit before taxation</b>		(3,450)	395
Taxation	<b>8</b>	(1,722)	(1,371)
<b>Loss for the year</b>		(5,172)	(976)

The loss of \$5,172,000 for the year ended 31 December 2008 has derived in its entirety from continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$000	Restated \$000
<b>Loss for the year</b>	(5,172)	(976)
<b>Total recognised gains and losses for the year</b>	(5,172)	(976)
Prior year adjustment - as explained in note 20	515	
<b>Total gains and losses recognised since last annual report</b>	(4,657)	



**BP TRADING LIMITED**

**BALANCE SHEET AT 31 DECEMBER 2008**

		2008	2007
	Note	\$000	Restated \$000
<b>Fixed assets</b>			
Intangible assets	10	887	910
Tangible assets	11	8,665	10,407
		9,552	11,317
<b>Current assets</b>			
Debtors	12	31,791	22,863
Cash at bank and in hand		1,696	774
<b>Creditors: amounts falling due within one year</b>	13	(12,293)	(18,536)
<b>Net current assets</b>		21,194	5,101
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		30,746	16,418
<b>Creditors: amounts falling due after more than one year</b>	13	(19,500)	-
<b>NET ASSETS</b>		11,246	16,418
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	16	31,637	31,637
Profit and loss account	17	(20,391)	(15,219)
<b>SHAREHOLDERS' FUNDS – EQUITY INTERESTS</b>		11,246	16,418

On behalf of the Board

  
Director

22 September 2009

**BP TRADING LIMITED**  
**NOTES TO THE ACCOUNTS**

**1. Turnover**

Turnover, which is stated net of value added tax, represents agency and administration fees invoiced to group companies as a consideration for the services provided by the company through its representative office in Moscow.

The country of origin and destination is substantially the Russian Federation geographic area.

Turnover is attributable to one continuing activity which is the provision of services.

**2. Operating (loss) / profit**

This is stated after charging:

	<u>2008</u>	<u>2007</u>
	\$000	\$000
Hire charges under operating leases:		
Land & buildings	2,745	1,441
Plant & machinery	4,070	2,782
Exchange loss on foreign currency borrowings less deposits	837	49
Depreciation of owned fixed assets (including amortisation of intangibles)	<u>1,701</u>	<u>430</u>

**3. Auditor's remuneration**

	<u>2008</u>	<u>2007</u>
	\$000	\$000
Fees for the audit of the company	<u>69</u>	<u>100</u>

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 BP Trading Limited's immediate and ultimate parent, BP p.l.c., are required to disclose non-audit fees on a consolidated basis.

**4. Other income**

	<u>2008</u>	<u>2007</u>
	\$000	Restated \$000
Miscellaneous income	<u>1,893</u>	<u>641</u>

Other income represents mainly rentals from sub-lease agreements in respect of the premises located by the company in Moscow as well the rental of the company's own building which is also located in Moscow.

**BP TRADING LIMITED**  
**NOTES TO THE ACCOUNTS**

**5. Profit on disposal of fixed assets**

	<u>2008</u>	<u>2007</u>
	\$000	\$000
Profit on disposal of fixed assets	83	93
Exceptional items	<u>83</u>	<u>93</u>
Taxation credit / (charge)	-	-
Exceptional items (net of tax)	<u>83</u>	<u>93</u>

**6. Interest payable and similar charges**

	<u>2008</u>	<u>2007</u>
	\$000	Restated \$000
Interest expense on loans from group undertakings	<u>3,083</u>	<u>2,042</u>

**7. Interest receivable and similar income**

	<u>2008</u>	<u>2007</u>
	\$000	\$000
Interest income from group undertakings	<u>1,280</u>	<u>1,131</u>

**8. Taxation**

The Company is a member of a group for the purposes of relief under Section 402 of the Income & Corporation Taxes Act 1988. No 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.

The tax charge is made up as follows:

	<u>2008</u>	<u>2007</u>
	\$000	\$000
<u>Current tax</u>		
Overseas tax on income for the year	1,722	1,340
Overseas tax underprovided in prior years	-	31
Total current tax	<u>1,722</u>	<u>1,371</u>
Tax charged on (loss) / profit on ordinary activities	<u>1,722</u>	<u>1,371</u>

**BP TRADING LIMITED**  
**NOTES TO THE ACCOUNTS**

**8. Taxation (continued)**

**(a) Factors affecting the current tax charge**

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28.5% for the year ended 31 December 2008 (2007 – 30%). The differences are reconciled below:

	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	UK	Overseas	UK Restated	Overseas Restated
	\$000	\$000	\$000	\$000
(Loss) / profit on ordinary activities before tax	(3,450)	(3,450)	395	395
Current taxation	-	1,722	-	1,371
Effective current tax rate	0%	(50)%	0%	347%
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	UK	Overseas	UK	Overseas
	%	%	%	%
UK corporation tax rate:	28	28	30	30
Overseas corporation tax rate:	-	-	-	-
Increase / (decrease) resulting from:				
Lower taxes on overseas earnings	-	-	-	(6)
Non deductible expenditure / non taxable income	-	-	(60)	466
Imputed income for tax purposes	-	(78)	-	(143)
Permanent differences	13	-	-	-
Fixed asset timing differences	(9)	-	16	-
Group relief	(32)	-	14	-
Effective current tax rate	<u>-</u>	<u>(50)</u>	<u>-</u>	<u>347</u>

**9. 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 (2007: \$Nil).

**(b) Employee costs**

	<u>2008</u>	<u>2007</u>
	\$000	\$000
Wages and salaries	9,499	7,616
Social security costs	<u>1,008</u>	<u>866</u>
	<u>10,507</u>	<u>8,482</u>

**BP TRADING LIMITED**  
**NOTES TO THE ACCOUNTS**

**9. Directors and employees (continued)**

(c) The average monthly number of employees during the year was:

	<u>2008</u>	<u>2007</u>
	No.	No.
Non-UK	<u>130</u>	<u>118</u>

**10. Intangible assets**

	<u>Other intangibles</u>
<b>Cost</b>	<u>\$000</u>
At 1 January 2008 / 31 December 2008	<u>1,332</u>
<b>Amortisation</b>	
At 1 January 2008	422
Charge for the year	<u>23</u>
At 31 December 2008	<u>445</u>
<b>Net book value</b>	
At 31 December 2008	<u>887</u>
At 31 December 2007	<u>910</u>
Principal rates of amortisation	2%

**BP TRADING LIMITED**  
**NOTES TO THE ACCOUNTS**

**11. Tangible assets**

	Land & buildings	Fixtures & fittings	Plant & machinery	Total
<b>Cost</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 1 January 2008	12,702	3,796	326	16,824
Additions	1	405	-	406
Disposals	-	(582)	(130)	(712)
At 31 December 2008	<u>12,703</u>	<u>3,619</u>	<u>196</u>	<u>16,518</u>
<b>Depreciation and impairment</b>				
At 1 January 2008	4,346	1,770	301	6,417
Charge for the year	1,184	480	14	1,678
Disposals	-	(112)	(130)	(242)
At 31 December 2008	<u>5,530</u>	<u>2,138</u>	<u>185</u>	<u>7,853</u>
<b>Net book value</b>				
At 31 December 2008	<u>7,173</u>	<u>1,481</u>	<u>11</u>	<u>8,665</u>
At 31 December 2007	<u>8,356</u>	<u>2,026</u>	<u>25</u>	<u>10,407</u>
Principal rates of depreciation	20%	12.5%-25%	25%	

**12. Debtors**

	2008	2008	2007	2007
	Within	After	Within	After
	1 year	1 year	1 year	1 year
	\$000	\$000	\$000	\$000
Trade debtors	13,775	-	1,399	-
Amounts owed by group undertakings	12,205	-	8,784	-
Other debtors	2,415	-	102	-
Prepayments and accrued income	2,551	845	12,578	-
	<u>30,946</u>	<u>845</u>	<u>22,863</u>	<u>-</u>

**BP TRADING LIMITED**  
**NOTES TO THE ACCOUNTS**

**13. Creditors**

	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	Within	After	Within	After
	1 year	1 year	1 year	1 year
	Restated	Restated	Restated	Restated
	\$000	\$000	\$000	\$000
Trade creditors	860	-	2,966	-
Amounts owed to group undertakings	3,464	-	9,675	-
Other creditors	393	-	323	-
Taxation	677	-	334	-
Accruals and deferred income	6,899	-	5,238	-
Loans (see note 14)	-	19,500	-	-
	<u>12,293</u>	<u>19,500</u>	<u>18,536</u>	<u>-</u>

**14. Loans**

Loans repayable, which are included within creditors, are analysed as follows:

	<u>2008</u>	<u>2007</u>
	Within	Within
	5 years	5 years
	\$000	\$000
Wholly repayable	<u>19,500</u>	<u>-</u>

The loan is with another undertaking of BP Group and it will expire on 31 December 2011.

**15. Obligations under leases**

Annual commitments under non-cancellable operating leases are set out below:

	<u>2008</u>	<u>2007</u>
	Land &	Land &
	buildings	buildings
	\$000	\$000
Expiring:		
Within 1 year	2,745	2,452
Between 2 to 5 years	10,981	9,809
Thereafter	-	-
	<u>13,726</u>	<u>12,261</u>

**BP TRADING LIMITED**  
**NOTES TO THE ACCOUNTS**

**16. Called up share capital**

	<u>2008</u>	<u>2007</u>
	£000	£000
Authorised share capital:		
100,000,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<u>2008</u>	<u>2007</u>
	\$000	\$000
Allotted, called up and fully paid:		
17,020,622 Ordinary shares of £1 each	<u>31,637</u>	<u>31,637</u>

**17. Capital and reserves**

	Equity share capital	Other reserves	Profit and loss account	Total
	\$000	\$000	\$000	\$000
At 1 January 2006 as previously reported	11,637	884	(13,947)	(1,426)
Prior year adjustment	-	(884)	1,213	329
At 1 January 2006 restated	11,637	-	(12,734)	(1,097)
Issue of ordinary share capital	20,000	-	-	20,000
Loss for the year as previously reported	-	-	(1,037)	(1,037)
Share-based payments	-	148	-	148
Prior year adjustment	-	(148)	(472)	(620)
At 1 January 2007 restated	31,637	-	(14,243)	17,394
Loss for the year as previously reported	-	-	(2,289)	(2,289)
Share-based payments	-	507	-	507
Prior year adjustment	-	(507)	1,313	806
At 1 January 2008 restated	31,637	-	(15,219)	16,418
Loss for the year	-	-	(5,172)	(5,172)
At 31 December 2008	<u>31,637</u>	<u>-</u>	<u>(20,391)</u>	<u>11,246</u>

**18. Reconciliation of movements in shareholders' funds**

	<u>2008</u>	<u>2007</u> Restated
	\$000	\$000
Loss for the year	(5,172)	(976)
Net decrease in shareholders' interests	(5,172)	(976)
Shareholders' interest at 1 January	16,418	17,394
Shareholders' interest at 31 December	<u>11,246</u>	<u>16,418</u>



**BP TRADING LIMITED**

**NOTES TO THE ACCOUNTS**

**19. Related party transactions**

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 "Related Party Disclosures", and has not disclosed transactions with group companies. There were no other related party transactions in the year.

**20. Prior year adjustment**

A prior year adjustment has been made in respect of share based payments costs incorrectly accounted for since 2005. The company is not liable to meet any share-based payment costs. This is because the company's employees, all employed by the company's representative office in Moscow, do not participate in any share scheme. In addition, the company does not receive any service from employees of other undertakings within the BP Group.

The effect of this prior year adjustment has been an increase in the total reserves of \$329,000 (2005), \$376,000 (2006) and of \$806,000 (2007).

Another prior year adjustment has been made in respect of incorrect reversal of accruals and taxation made in 2006 for a total of \$996,000 which has resulted in a correspondent decrease in the total reserves for the same year.

The overall effect of these prior year adjustments has been an increase in the total reserves of \$515,000.

**21. Immediate and ultimate parent undertaking**

The immediate and 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 p.l.c., a company registered in England and Wales. Copies of BP p.l.c.'s accounts can be obtained from 1 St James's Square, London, SW1Y 4PD.

**22. Comparative figures**

Certain prior year figures have been reclassified to conform with the 2008 presentation. This had no impact on the profit and loss for the year or net assets.