

BP TRADING LIMITED

(Registered No. 1033761)

ANNUAL REPORT AND ACCOUNTS 2001

Board of Directors: D P Chapman
F W M Starkie

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2001.

Principal activity

The company operates representative offices in Russia, as well as management services for other BP affiliates.

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

Review of activities

The company has had a disappointing year.

Results and dividends

The loss for the year after taxation was \$2,330,403 (2000 – \$nil), when added to the retained profit brought forward at 1 January 2001 of \$nil gives a total retained loss carried forward at 31 December 2001 of \$2,330,403. The directors do not propose the payment of a dividend.

Directors

The present directors are listed above.

Mr. D P Chapman and Mr. F W M Starkie served as directors throughout the financial year.

Directors' interests

The interests of the directors holding office at 31 December 2001, and their families, in the US \$0.25 ordinary shares of BP p.l.c., (formerly BP Amoco p.l.c), were as set out below.

	<u>31 December 2001</u>	<u>1 January 2001</u>
D P Chapman	143,473	142,622
F W M Starkie	101,848	84,025



BP TRADING LIMITED

REPORT OF THE DIRECTORS

In addition, rights to subscribe for US \$0.25 ordinary shares in BP p.l.c. (formerly BP Amoco p.l.c.) were granted to, or exercised by, those directors between 1 January 2001 and 31 December 2001 as follows:

	<u>Granted</u>	<u>Exercised</u>
D P Chapman	72,250	Nil
F W M Starkie	17,200	Nil

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 2001.

Policy and practice with respect to payment of suppliers

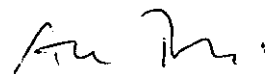
It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company. A copy of the code of practice may be obtained from the CBI.

There were no trade creditors at the year end. (2000-Nil)

Auditors

Ernst & Young LLP will be reappointed 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

2 September 2002

BP TRADING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 also 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 TRADING LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF BP TRADING LIMITED

We have audited the accounts for the year ended 31 December 2001 which comprise Profit and Loss Account, Balance Sheet, and the related notes 1 to 15. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 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 2001 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Registered Auditor
London.

2 September 2002

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BP TRADING LIMITED

ACCOUNTING POLICIES

Accounting convention

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

Accounting Standards

The group has adopted Financial Reporting Standard No. 18 "Accounting Policies" (FRS 18) with effect from 1 January 2001. Adoption of Financial Reporting Standard 18 has not had any effect on the results for the year or required any restatement of prior year comparatives.

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.

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.

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.

Deferred taxation

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.

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BP TRADING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u>
		\$	\$
Turnover	1	12,571,764	11,705,703
Administrative expenses		(12,507,913)	(11,044,183)
Other income	3	3,472	4,403
Other losses	5	(74,978)	(66,994)
Exchange loss		(63,903)	(22,642)
Operating profit	2	(71,558)	576,287
Gain/(loss) on disposal of fixed assets	4	13,072	(217,338)
Interest payable		(1,557,591)	(2,144)
Profit on ordinary activities before taxation		(1,616,077)	356,805
Taxation	6	(714,326)	(356,805)
Result for the year		(2,330,403)	-

There are no recognised gains or losses attributable to the shareholders of the company other than the loss of \$2,330,403 for the year ended 31 December 2001 (2000 profit/loss nil).

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BP TRADING LIMITED

BALANCE SHEET AT 31 DECEMBER 2001

	<u>Note</u>	<u>2001</u> \$	<u>2000</u> \$
Fixed assets			
Tangible Assets	8	7,712,596	7,492,394
Current assets			
Debtors	9	4,441,643	6,023,605
Cash at bank and in hand		459,493	104,585
		<u>4,901,136</u>	<u>6,128,190</u>
Creditors - amounts falling due within one year	10	(14,944,132)	(13,620,581)
Net current liabilities		<u>(10,042,996)</u>	<u>(7,492,391)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,330,400)</u>	<u>3</u>
Represented by			
Capital and reserves			
Called up share capital	11	3	3
Profit & loss account		(2,330,403)	-
SHAREHOLDERS' FUNDS - EQUITY INTERESTS	12	<u>(2,330,400)</u>	<u>3</u>

Director

2 September 2002

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BP TRADING LIMITED
NOTES TO THE ACCOUNTS

1. Turnover

Turnover, which is stated net of value added tax, represents reimbursed costs.

2. Operating profit

This is stated after charging:

	<u>2001</u>	<u>2000</u>
	\$	\$
Depreciation of owned assets	893,504	824,553
Operating lease payments – Land and buildings	-	1,249,389
Auditors' remuneration:		
Audit fees - current year		
UK	-	6,964
Overseas	2,969	18,600

3. Other income

	<u>2001</u>	<u>2000</u>
	\$	\$
Income from currency sales	-	4,403
Other interest	<u>3,472</u>	<u>-</u>
	<u>3,472</u>	<u>4,403</u>

4. Exceptional items

	<u>2001</u>	<u>2000</u>
	\$	\$
Gain/(loss) on disposal of fixed assets	13,072	(217,338)

5. Other losses

	<u>2001</u>	<u>2000</u>
	\$	\$
Net rental loss	74,978	66,994

6. Taxation

United Kingdom 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 free group relief to the extent it is required and to provide for any current or deferred tax that arises.

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BP TRADING LIMITED
NOTES TO THE ACCOUNTS

6. Taxation (continued)

Overseas Taxation

	<u>2001</u>	<u>2000</u>
	\$	\$
Current taxation:		
Tax on income for the year	714,326	356,805
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Overseas Tax	714,326	356,805
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7. 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 (2000 \$Nil).

	<u>2001</u>	<u>2000</u>
	\$	\$
(b) Employee costs		
Wages and salaries	5,303,186	4,124,938
Social security costs	297,498	686,100
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	5,600,684	4,811,038
	<hr/>	<hr/>

	<u>2001</u>	<u>2000</u>
(c) Average weekly number of employees		
Administration	68	52
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(d) Pensions

The company does not operate a pension scheme on behalf of its employees.

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BP TRADING LIMITED
NOTES TO THE ACCOUNTS

8. Tangible assets

	<u>Short Leasehold property</u> \$	<u>Furniture fittings and equipment</u> \$	<u>Total</u> \$
Cost			
At 1 January 2001	8,607,977	3,071,982	11,679,959
Additions	97,465	1,062,940	1,160,405
Deletions	(17,034)	(303,197)	(320,231)
	<hr/>	<hr/>	<hr/>
At 31 December 2001	8,688,408	3,831,725	12,520,133
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2001	2,767,509	1,420,056	4,187,565
Provided during year	412,759	480,745	893,504
Deletions	-	(273,532)	(273,532)
	<hr/>	<hr/>	<hr/>
At 31 December 2001	3,180,268	1,627,269	4,807,537
	<hr/>	<hr/>	<hr/>
Net book amount			
At 31 December 2001	5,508,140	2,204,456	7,712,596
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At 31 December 2000	5,840,468	1,651,926	7,492,394
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Principal rates of depreciation.	4% -20%	20% - 30%	

9. Debtors

	<u>2001</u> \$	<u>2000</u> \$
Parent and fellow subsidiary undertakings	1,449,362	4,615,323
Prepayments and accrued income	439,972	679,087
Other	2,552,309	729,195
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	4,441,643	6,023,605
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BP TRADING LIMITED

NOTES TO THE ACCOUNTS

10. Creditors - amounts falling due within one year

	<u>2001</u>	<u>2000</u>
	\$	\$
Fellow subsidiary undertakings	12,522,445	11,782,809
Other taxes and social security costs	400,428	-
Other	2,021,259	1,837,772
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	14,944,132	13,620,581
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11. Called up share capital

	<u>2001</u>	<u>2000</u>
	£100	£100
Authorised share capital: 100 ordinary shares of £1 each	<hr/>	<hr/>
	<u>2001</u>	<u>2000</u>
	\$	\$
Allotted, called up and fully paid: 2 ordinary shares of £1 each	3	3
	<hr/>	<hr/>

12. Reconciliation of shareholders' funds and movement on reserves

	<u>Equity share</u>		
	<u>capital</u>	<u>Reserves</u>	<u>Total</u>
	\$	\$	\$
At 1 January 2001	3	-	3
Loss for the year	-	(2,330,403)	(2,330,403)
	<hr/>	<hr/>	<hr/>
At 31 December 2001	3	(2,330,403)	(2,330,400)
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13. Operating lease commitments

At 31 December the company had annual commitments under non-cancellable operating leases on land and buildings as set out below:

	<u>2001</u>	<u>2000</u>
	\$	\$
Expiring within:		
1 year	450,000	63,000
2 to 5 years	-	-
Thereafter	-	-
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	450,000	63,000
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BP TRADING LIMITED

NOTES TO THE ACCOUNTS

14. Related party transactions

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

15. 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 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.

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