

**BP CHEMICALS (KOREA) LIMITED**  
(Registered No. 2316280)

**ANNUAL REPORT AND ACCOUNTS 1995**

Board of Directors: C W Chambers  
G R Hunt

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**REPORT OF THE DIRECTORS**

The directors present their report and accounts for the year ended 31 December 1995.

**Principal Activity**

The company acts as an intermediate holding company, holding certain investments in Korean chemical companies.

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

**Results**

There has been no income or expenditure during the year, and therefore, there is no change in the company's position. Retained reserves at 31 December 1995 are £Nil (1994 £Nil).

**Directors**

Mr C W Chambers and Mr G R Hunt served as directors throughout the financial year.

**Directors' interests**

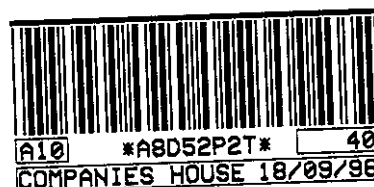
The interests of the directors holding office at 31 December 1995, and their families, in the 25p ordinary shares of The British Petroleum Company p.l.c. were as set out below:

	<u>31 December 1995</u>	<u>1 January 1995</u>
C W Chambers	4,631	4,558
G R Hunt	13,641	11,196

In addition, rights to subscribe for 25p ordinary shares in The British Petroleum Company plc. were granted to, or exercised by, those directors between 1 January and 31 December 1995 as follows:

	<u>Granted</u>	<u>Exercised</u>
C W Chambers	8,400	Nil
G R Hunt	17,732	12,000

No director had any interest in the shares or debentures of subsidiary undertakings of The British Petroleum Company p.l.c. at 31 December 1995.



**BP CHEMICALS (KOREA) LIMITED**

**REPORT OF THE DIRECTORS**

**Insurance**

Pursuant to Section 310 of the Companies Act 1985, for the year ended 31 December 1995, 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 and officers of the company.

**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



(B. Prevost)

ASSISTANT Secretary

Registered Office  
BP House  
Breakspear Way  
Hemel Hempstead  
Herts HP2 4UL

28 August 1996

**BP CHEMICALS (KOREA) 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 accounts on the going concern basis, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

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 to 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.

**BP CHEMICALS (KOREA) LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**BP CHEMICALS (KOREA) 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. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

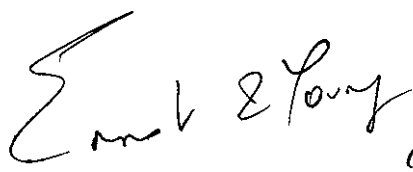
**Basis of opinion**

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 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
(ERNST & YOUNG)

Chartered Accountants  
Registered Auditor  
London

28 August 1996



## **BP CHEMICALS (KOREA) LIMITED**

### **ACCOUNTING POLICIES**

#### **Accounting convention**

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

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

#### **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, The British Petroleum Company p.l.c. a company registered in England and Wales.

#### **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 for the year.

#### **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 CHEMICALS (KOREA) LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995**

	<u>Note</u>	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
Other operating income			
Other operating income		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	1	-	-
Taxation	2	-	-
		<hr/>	<hr/>
Profit for the year		-	-
Retained profit at 1 January		-	-
		<hr/>	<hr/>
Retained profit for the year		-	-
		<hr/>	<hr/>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses attributable to the shareholders of the company other than the profit of £Nil for the year ended 31 December 1995 (1994 profit of £Nil).

**BP CHEMICALS (KOREA) LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1995**

	<u>Note</u>	<u>1995</u> £000	<u>1994</u> £000
<b>Fixed assets</b>			
Investments	4	44,236	40,554
<b>Current assets</b>			
Debtors			
Parent and fellow subsidiary undertakings		29,415	24,115
		<hr/>	<hr/>
		73,651	64,669
<b>Creditors - amounts falling due within one year</b>			
Parent and fellow subsidiary undertakings		(28,351)	(24,669)
		<hr/>	<hr/>
<b>SHAREHOLDERS' INTEREST</b>		45,300	40,000
		<hr/>	<hr/>
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called-up share capital	5	45,300	40,000
Reserves	6	-	-
		<hr/>	<hr/>
		45,300	40,000
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 Director (C. CHAMBERS)

28 August 1996

**BP CHEMICALS (KOREA) LIMITED**

**NOTES TO THE ACCOUNTS**

**1. Auditors' remuneration**

Auditors' remuneration is dealt with in the accounts of the parent undertaking. No fees were paid to the auditors for other services.

**2. Taxation**

The company is member of a group for the purposes of relief under Section 402 of the Income and Corporation Taxes Act 1988. No corporation tax liability arises.

Provision for deferred taxation is not required.

**3. Directors and employees**

None of the directors received any fees or remuneration from the company during the financial year (1994 £Nil).

**4. Fixed assets - investments**

	<u>Associated</u> <u>undertakings</u> <u>shares</u> <u>£000</u>
Cost	
At 1 January 1995	40,554
Additions	3,682
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At 31 December 1995	44,236
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Net book amount	
At 31 December 1995	44,236
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At 31 December 1994	40,554
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The investments in the associated undertakings are unlisted.

In the opinion of the directors, the value of shares and loans in the company's associated undertakings is not less than the amounts at which they are shown in the balance sheet.

The associated undertakings of the company at 31 December 1995 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.



# BP CHEMICALS (KOREA) LIMITED

## NOTES TO THE ACCOUNTS

### 4. Fixed assets investments (continued)

	<u>%</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Issued Share Capital £'000</u>
Samsung-BP Chemicals Co Ltd	51	Republic of South Korea	Chemicals	58,285
International Ester Co Ltd	20	Republic of South Korea	Chemicals	2,896
Asian Acetyls Co Ltd	34	Republic of South Korea	Chemicals	10,757

### 5. Called up share capital

	<u>1995 £000</u>	<u>1994 £000</u>
Authorised, allotted and fully paid 45,300,000 ordinary shares of £1 each	45,300	40,000

During the year 5,300,000 ordinary shares of £1 each, with an aggregate nominal value of £5,300,000, were issued fully paid for cash to BP Chemicals Limited, its parent undertaking, in order to help finance the purchase of investments. There were no share issues in 1994.

### 6. Reconciliation of shareholders' funds and movements on reserves

	<u>Share capital £000</u>	<u>Profit &amp; loss account £000</u>	<u>Total £000</u>
At 1 January 1994	40,000	-	40,000
Result for the year	-	-	-
At 1 January 1995	40,000	-	40,000
Result for the year	-	-	-
Shares issued	5,300	-	5,300
At 31 December 1995	45,300	-	45,300

### 7. Contingent liability

There were contingent liabilities at 31 December 1995 in respect of guarantees and indemnities against a loan agreement to the extent of £4.9 million (1994 - £4.9 million). No material losses are likely to arise, and none was utilised at 31 December 1995.

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**BP CHEMICALS (KOREA) LIMITED**

**NOTES TO THE ACCOUNTS**

**8. 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 The British Petroleum Company p.l.c., a company registered in England and Wales. Copies of The British Petroleum Company p.l.c.'s accounts can be obtained from Britannic House, 1 Finsbury Circus, London, EC2M 7BA.