

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

ANNUAL REPORT AND ACCOUNTS 1994

Board of Directors: C W Chambers
G R Hunt

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 1994.

Principal activity

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

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 1994 are £Nil (1993: £Nil)

Directors

Mr C W Chambers served as a director of the company throughout the financial year. Mr A J S Hooper resigned as a director on 7 September 1994 and Mr G R Hunt was appointed on 1 January 1995.

Directors interests

The interests of the director holding office at 31 December 1994, and his family, in the 25p ordinary shares of The British Petroleum Company p.l.c. were as set out below:

	<u>31 December 1994</u>	<u>1 January 1994</u>
C W Chambers	4,558	4,000

In addition, rights to subscribe for 25p ordinary shares in The British Petroleum Company p.l.c. were granted to, or exercised by, that director between 1 January and 31 December 1994 as follows:

	<u>Granted</u>	<u>Exercised</u>
C W Chambers	8,400	Nil

No director had any interest in the shares or debentures of subsidiary undertakings of The British Petroleum Company p.l.c. at 31 December 1994.



BP CHEMICALS (KOREA) LIMITED

REPORT OF THE DIRECTORS

Post balance sheet event

On 5 June 1995 the authorised share capital of the company was increased by the creation of 5,300,000 ordinary shares of £1 each and these have been allotted at par to the parent undertaking - BP Chemicals Limited.

Insurance

Pursuant to Section 310 of the Companies Act 1985, for the year ended 31 December 1994, 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

Blond (Blond)

ASSISTANT Secretary

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

30 August 1995

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 the 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 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 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

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.

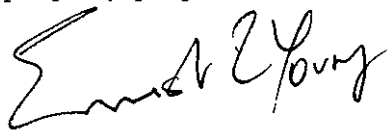
Basis of opinion

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 1994 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

30 August 1995



BP CHEMICALS (KOREA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 £000	1993 £000
Other income		-	-
Profit for the year on continuing activities	7	-	-
Profit/(loss) at 1 January		-	-
Retained profit for the year		-	-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses attributable to shareholders of the company other than the profit of £Nil in the year ended 31 December 1994 and a profit of £Nil in the year ended 31 December 1993.

BP CHEMICALS (KOREA) LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Note	1994 £000	1993 £000
Fixed assets			
Investments	5	40,554	41,887
Current assets			
Debtors - parent undertaking		24,115	24,115
Creditors - amounts falling due within one year			
Creditor - parent undertaking		(24,669)	(26,002)
SHAREHOLDERS' INTEREST		<u>40,000</u>	<u>40,000</u>
Represented by:			
Capital and reserves			
Called-up share capital	6	40,000	40,000
Reserves		-	-
		<u>40,000</u>	<u>40,000</u>

A. D. Robinson Director (CWECHAIRMAN)
 30 August 1995

£24

BP CHEMICALS (KOREA) LIMITED

NOTES TO THE ACCOUNTS

1. 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 accounts, therefore, present information about the company as an individual undertaking and not about its group. 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.. Only dividend income is reflected in the company's profit and loss account. Provisions are made against investments in, and advances to subsidiary and associated undertakings where it is considered that these amounts will not be fully recovered in the foreseeable future.

2. Directors' emoluments

None of the directors received any fees or remuneration from the company during the financial year (1993 £Nil).

3. Auditors remuneration

The cost of audit fees and expenses is borne by BP Chemicals Limited. No fees were paid to the auditors for other services.

4. Taxation

The company is a 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.

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BP CHEMICALS (KOREA) LIMITED

NOTES TO THE ACCOUNTS

5. Fixed assets - investments

	Associated Undertakings Shares £000
Cost	
At 1 January 1994	41,887
Exchange adjustments	(1,333)
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At 31 December 1994	40,554
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Net book amount	
At 31 December 1994	40,554
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At 31 December 1993	41,887
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The associated undertakings of the company at 31 December 1994 and the percentage of equity capital held are set out below. The principal activity of the associated undertakings is the production of chemical products.

<u>Associated undertakings</u>	<u>Country of incorporation</u>	<u>Shares held unlisted</u>	<u>%</u>
Samsung-BP Chemicals Company Ltd	Republic of South Korea	Common Stock	51
International Ester Co Ltd	Republic of South Korea	Common Stock	20

The investment in Samsung-BP Chemicals Company Limited has been treated as an associated undertaking as BP Chemicals (Korea) Limited does not exercise a dominant influence over it.

In the opinion of the directors, the aggregate value of common stock is not less than the amount at which it is shown in the balance sheet for each of the associated undertakings.

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BP CHEMICALS (KOREA) LIMITED

NOTES TO THE ACCOUNTS

6. Called up Share Capital

	1994 £	1993 £
Authorised, allotted and fully paid 40,000,000 Ordinary shares of £1 each	40,000	40,000

On 5 June 1995 the authorised share capital of the company was increased by the creation of 5,300,000 ordinary shares of £1 each and these have been allotted at par to the parent undertaking - BP Chemicals Limited.

7. Reconciliation of Shareholders' Funds and Movements on Reserves

	<u>Share Capital</u> £'000	<u>Profit & Loss</u> £'000	<u>Total</u> £'000
At 1 January 1994	40,000	-	40,000
At 31 December 1994	40,000	-	40,000

8. Contingent liability

The company has guaranteed payment against a loan agreement to the extent of £4.9 million (1993 - £Nil). None was utilised at 31 December 1994.

9. Ultimate Parent Undertaking

The ultimate parent undertaking of the group of undertakings for which 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.