

COMPANY NUMBER: 454043

ANNUAL REPORT AND ACCOUNTS

**BP CYPRUS LIMITED**

DECEMBER 31, 1998



**BP Cyprus Limited****ANNUAL REPORT AND ACCOUNTS 1998**

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## **BP Cyprus Limited**

### **REPORT OF THE DIRECTORS 1998**

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#### **BOARD OF DIRECTORS**

G A Petrou

R J Pillari

P A Short

#### **REPORT OF THE DIRECTORS**

The directors present their report and the accounts for the year ended 31 December, 1998.

#### **PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

The company buys, sells and otherwise deals in petroleum products in Cyprus. It is the intention of the directors that this business will continue for the foreseeable future.

The company formed and operated a joint venture with Mobil Cyprus Oil Limited as from 1 April 1998. The company has a 70% interest in the joint venture. The principal activities of the joint venture are to provide services to the participants' two marketing companies in the areas of supply and distribution, finance and accounting, technology and human resources.

#### **RESULTS AND DIVIDENDS**

The profit for the year after taxation of Stg£1.488.142, after deducting dividends of Stg£2.433.265 and exchange gains of Stg£472.282 when deducted from the retained profit brought forward at 1 January 1998 of Stg£3.281.128, gives a total retained profit carried forward at 31 December 1998 of Stg£2.808.287.

#### **DIRECTORS**

Mr G A Petrou and Mr H T E Dewey served as directors throughout the financial year. Mr R K Purvis resigned as a director on 30 June 1998.

Mr R J Pillari was appointed as a director on 1 March 1999. Mr H T E Dewey resigned as a director on 1 April 1999 and Mr P A Short was appointed as a director on the same date.

#### **DIRECTORS' INTERESTS**

The interests of the directors holding office on 31 December, 1998 and their families, in the Ordinary shares of BP Amoco p.l.c. were as set out below:

	31 December <u>1998</u>	1 January <u>1998</u>
H.T.E. Dewey	15,918	11,569
G.A. Petrou	Nil	Nil

In addition, rights to subscribe for Ordinary shares in BP Amoco p.l.c. were granted to, or exercised by, the directors between 1 January 1998 and 31 December 1998, as follows:-

	<u>Granted</u>	<u>Exercised</u>
H.T.E. Dewey	Nil	25,200
G.A. Petrou	Nil	Nil

No director had any interest in the shares or debentures of subsidiary undertakings of BP Amoco p.l.c. at 31 December, 1998.

## **BP Cyprus Limited**

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### **POLICY 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 can be obtained from the CBI. The number of days purchases represented by trade creditors at the year end was 48 days.

### **MILLENNIUM IT RISK**

The Year 2000 issue, which stems from computer programs written using two digits rather than four to define the applicable year, could result in processing faults on the change of century, producing a wide range of consequences. The BP Amoco group has conducted a risk-based review of its computer systems and computer-controlled processes and has developed plans to remediate potential Year 2000-related faults by replacement or repair. The project is designed to minimise risks arising from the Year 2000 problem which might endanger health, safety, the environment, the group's reputation, or its cash flow.

The group's Year 2000 programme covers IT application systems and infrastructure, process control systems and embedded microprocessors in plants, oil and gas fields and building facilities, and an assessment of Year 2000 readiness of critical suppliers, customers, joint ventures and partners.

The group has completed the inventory and risk analysis work, and a substantial part of the remediation and testing effort is also complete. Outstanding remediation dependent on planned plant shutdowns and other remediation work consisting mainly of implementation of package software releases are scheduled for completion by the end of 1999. Systems rationalisation and organisational restructuring made necessary by the BP Amoco merger are being managed to avoid any risks which might reduce the company's ability to meet 2000 with confidence.

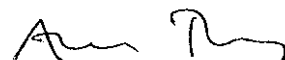
The company's IT and other equipment/facilities which may be affected by the Year 2000 problem have been reviewed in the course of the BP Amoco group's global review, and remediation plans have been developed. The estimated total cost of the group's Year 2000 programme is disclosed in the accounts of the ultimate parent undertaking. None of the costs of review and remediation discussed above have been borne by the company.

To meet any unexpected failure by the group's systems or by key third parties, contingency plans are being developed to deliver a flexible response, especially in the first days of 2000. The company's global operations will, however, remain exposed, to an unquantifiable degree, to the failure of third parties to deal with their Year 2000 exposures; we will take all practical steps to mitigate the effect.

### **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



Secretary

Registered Office  
Breakspear Park  
Breakspear Way  
Hemel Hempstead  
Herts HP2 4UL

27 September 1999

**ANNUAL REPORT AND ACCOUNTS 1998**

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

U.K. 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 its profit or loss 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 Amoco 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 Cyprus Limited**

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### **REPORT OF THE AUDITORS**

to the members of BP Cyprus Limited

We have audited the accounts on pages 5 to 16 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.

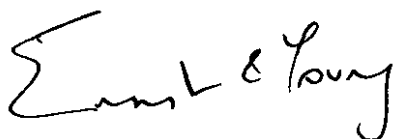
#### **Basis of opinion**

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 affairs of the company as at 31 December, 1998 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor

London

27 September 1999



## **BP Cyprus Limited**

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### **ACCOUNTING POLICIES**

#### **ACCOUNTING CONVENTION**

The accounts are prepared under the historical cost convention modified to include the revaluation of tangible fixed assets and in accordance with applicable UK accounting standards.

As the ultimate parent undertaking has published a group cash flow in compliance with Financial Reporting Standard No. 1 (Revised), 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 company is a wholly-owned subsidiary undertaking of its ultimate parent undertaking, BP Amoco p.l.c., a company registered in England and Wales, in whose consolidated accounts the results of all subsidiary and associated undertakings are presented.

#### **STOCK VALUATION**

Stocks are valued at cost to the company using the first-in-first-out method, or at net realisable value, whichever is the lower. Stores are stated at or below cost calculated mainly using the average method.

#### **FOREIGN CURRENCIES**

Assets and liabilities of foreign currency branches are translated into sterling at closing rates of exchange (with the exception of fixed assets which are translated into sterling at the rate of exchange ruling at the date of acquisition). Income statements are translated at average rates of exchange.

Exchange differences resulting from restating opening net assets at closing rates of exchange, together with the difference between the profit and loss account translated at average rate and at closing rate are 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.

#### **DEPRECIATION**

Tangible assets, other than freehold land, are depreciated on the straight line method over their estimated useful lives.

#### **LEASES**

Rentals under operating leases are charged against income as incurred.

#### **PENSIONS AND OTHER RETIREMENT BENEFITS**

Pension costs represent the contributions made to The BP Non-Contributory Pension Fund and other retirement funds. The cost of providing pensions and other retirement benefits is charged to income on a systematic basis, with pension surpluses and deficits amortised over the expected average remaining service lives of current employees. The difference between the amounts charged to income and contributions made to the pension and other retirement benefit plans is included within debtors or creditors as appropriate.

#### **DEFERRED TAXATION**

Deferred taxation is calculated, using the liability method, in respect of timing differences arising primarily from the different accounting and tax treatments of both depreciation and petroleum revenue duties and taxes. Provision is made or recovery anticipated where timing differences are expected to reverse in the foreseeable future.

## BP Cyprus Limited

### PROFIT AND LOSS ACCOUNT for the year ended 31 December, 1998 (in Sterling Pounds)

	Note	1998 STG£	1997 STG£
<b>TURNOVER</b>	1	46.007.587	59.605.345
Cost of sales		37.585.700	49.723.253
<b>GROSS PROFIT</b>		8.421.887	9.882.092
Marketing and distribution expenses		6.537.353	6.177.395
		1.884.534	3.704.697
Other income	3	160.039	70.475
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAX</b>	2	2.044.573	3.775.172
Interest payable and similar charges	4	81.343	261.080
<b>PROFIT BEFORE TAXATION</b>		1.963.230	3.514.092
Taxation	5	475.088	1.080.827
<b>PROFIT FOR THE YEAR</b>		1.488.142	2.433.265
Interim dividend paid		(2.433.265)	(2.403.194)
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>		(945.123)	30.071

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December, 1998

	1998 STG£	1997 STG£
Profit for the year	1.488.142	2.433.265
Currency translation differences	472.282	(846.784)
<b>Total recognised gains and losses for the year</b>	1.960.424	1.586.481

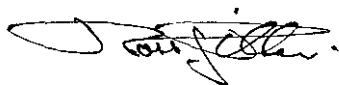
The profit for the year is not materially different from the result on an unmodified historical cost basis.

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**BP Cyprus Limited****BALANCE SHEET  
at 31 December, 1998  
(in Sterling Pounds)**

	Note	1998 STG£	1997 STG£
<b>FIXED ASSETS</b>			
Tangible assets	7	7,310,929	6,587,242
Investments	8	2,421,186	410,759
		<u>9,732,115</u>	<u>6,998,001</u>
<b>CURRENT ASSETS</b>			
Stocks	9	904,285	4,115,544
Debtors	10	4,162,993	2,925,884
Cash at bank and in hand		2,291,716	3,938,700
		<u>7,358,994</u>	<u>10,980,128</u>
<b>Creditors - amounts falling due within one year</b>			
Finance debt	11	2,349,390	2,158,115
Other creditors	12	7,067,191	6,993,193
		<u>(2,057,587)</u>	<u>1,828,820</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			
		<u>7,674,528</u>	<u>8,826,821</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Deferred tax asset	5	718,073	38,621
		<u>8,392,601</u>	<u>8,865,442</u>
<b>SHAREHOLDERS' INTEREST</b>			
Represented by			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	4,433,450	4,433,450
Revaluation Reserve	15	219,420	219,420
Other Reserves	15	931,444	931,444
Profit and loss account	15	2,808,287	3,281,128
		<u>8,392,601</u>	<u>8,865,442</u>
<b>SHAREHOLDERS' FUNDS - EQUITY INTERESTS</b>			
		<u>8,392,601</u>	<u>8,865,442</u>



Director

27 September 1999

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## **BP Cyprus Limited**

### **NOTES TO THE FINANCIAL STATEMENTS**

**at 31 December, 1998**

**(in Sterling Pounds)**

#### **1. TURNOVER**

Turnover, which is stated net of value added tax and associated petroleum revenue duties and taxes, comprises amounts invoiced to third parties, all of which falls within the European geographic area.

Turnover is attributable to one continuing activity, the purchasing and selling of petroleum products.

#### **2 PROFIT ON ORDINARY ACTIVITIES**

This is stated after charging :

	1998 STG£	1997 STG£
Operating lease rentals :		
Land and buildings	562.370	478.663
Plant and machinery	791	3.250
Currency translation differences	1.663	242.489
Depreciation of owned fixed assets	857.120	923.615
Auditors' remuneration :		
Audit fees	16.279	17.262
Fees for other services	6.977	-
	<u>          </u>	<u>          </u>

#### **3. OTHER INCOME**

	1998 STG£	1997 STG£
Income from parent and fellow subsidiary undertakings	44.258	16.418
Bank interest	115.781	54.057
	<u>          </u>	<u>          </u>
	160.039	70.475
	<u>          </u>	<u>          </u>

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## BP Cyprus Limited

### NOTES TO THE FINANCIAL STATEMENTS

at 31 December, 1998

(in Sterling Pounds)

#### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	1998	1997
	STG£	STG£
Non-group bank loans and overdrafts	32.600	21.210
Other loans	100.008	101.776
Other interest	(51.265)	138.094
	<u>81.343</u>	<u>261.080</u>

#### 5. TAXATION

	1998	1997
	STG£	STG£
United Kingdom corporation tax:		
Current at 31% (1997 : 31,5%)	574,650	1.124.675
Less: Overseas tax relief	(574,650)	(1.124.675)
	<u>-</u>	<u>-</u>
Cyprus tax:		
Current year	1.126.399	1.124.675
Prior year adjustments	2.644	196
Deferred taxation	(653.955)	(44.044)
	<u>475.088</u>	<u>1.080.827</u>

##### United Kingdom 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. The corporation tax liability for the year has been partially covered by double tax relief and owing to the availability of group relief, no provision has been made in the accounts of this company for the balance of the liability. The group's current corporation tax liability has been provided in the accounts of BP International Limited, a fellow subsidiary undertaking.

Provision for UK deferred taxation has been made in the accounts of BP International Limited, a fellow subsidiary undertaking, having regard to the group deferred taxation position.

The gross potential liability of this company for UK deferred taxation at 31 December, 1998 comprises tax at 30% (1997 31%) on timing differences principally between the accounting and tax treatment of :

	1998	1997
	STG£	STG£
Depreciation	407,167	346.016
Other timing differences	(202,131)	(182.806)
	<u>205,036</u>	<u>163.210</u>

## BP Cyprus Limited

### NOTES TO THE FINANCIAL STATEMENTS

at 31 December, 1998

(in Sterling Pounds)

#### 5. TAXATION (Cont.)

##### United Kingdom Taxation (Cont.)

If provision for UK deferred taxation had been made in the accounts on the basis of the gross potential liability there would have been a charge for the year of STG£41,826 (1997 credit STG£156,626).

##### Overseas taxation

Deferred taxation has been provided in the accounts comprising tax on short term timing differences as follows :

	1998 STG£	1997 STG£
At 1 January	(38.621)	4.246
Exchange adjustments	(1.860)	1.177
Capital allowances less depreciation	(89.158)	(4.044)
Price Negotiations Balance Sheet adjustment (PNBS)	(588.434)	(40.000)
Balance at 31 December	<u>(718.073)</u>	<u>(38.621)</u>

Deferred taxation has not been provided in respect of capital gains tax arising on revaluation of assets amounting to STG£NIL (1997 : STG£NIL). If provision had been made on the basis of the gross potential liability there would have been a credit for the year of STG£NIL (1997 : STG£ NIL).

#### 6. DIRECTORS AND EMPLOYEES

	1998 STG£	1997 STG£
(a) Employee costs:		
Wages and salaries	1,564,583	1,483,969
Social insurance costs	137,350	89,999
Pensions and other retirement benefit costs	251,445	226,061
Other benefits and contributions	90,714	88,389
	<u>2,044,092</u>	<u>1,888,418</u>
(b) Average number of employees during the year (all non-UK):	1998	1997
Marketing and distribution	<u>55</u>	<u>55</u>
(c) Remuneration of directors (included in (a) above) :	1998 STG£	1997 STG£
Total paid in respect of one director with an overseas service contract	<u>71,847</u>	<u>71,554</u>
The remaining directors received no remuneration for services to this company.		

## BP Cyprus Limited

### NOTES TO THE FINANCIAL STATEMENTS

at 31 December, 1998

(in Sterling Pounds)

#### 7. TANGIBLE ASSETS

	Freehold Land & Buildings STG£	Fixtures & Fittings STG£	Plant & Machinery STG£	Total STG£	of which: Assets under construction STG£
<b>Cost or valuation</b>					
At 1 January 1998	5,165,469	191,974	8,500,661	13,858,104	215,257
Exchange adjustments	248,938	9,251	409,672	667,861	10,374
Additions	56,625	-	1,374,407	1,431,032	647,548
Deletions	(106,024)	-	(122,623)	(228,647)	-
Transfers	-	-	-	-	(204,352)
At 31 December 1998	5,365,008	201,225	10,162,117	15,728,350	668,827
<b>Depreciation</b>					
At 1 January 1998	2,075,545	145,838	5,049,479	7,270,862	-
Exchange adjustments	107,121	7,539	266,722	381,382	-
Charge for the year	196,308	14,134	646,678	857,120	-
Deletions	(31,807)	-	(60,136)	(91,943)	-
At 31 December 1998	2,347,167	167,511	5,902,743	8,417,421	-
<b>Net book amount</b>					
At 31 December 1998	3,017,841	33,714	4,259,374	7,310,929	668,827
At 31 December 1997	3,089,924	46,136	3,451,182	6,587,242	215,257
Principal rates of depreciation:	2½ % - 10%	15%	5%-20%		

A revaluation of all fixed assets other than those in territories occupied by Turkish forces was carried out as at 1 January, 1987. Land was revalued by an independent professional valuer and other fixed assets by the company by using appropriate cost indices.

## BP Cyprus Limited

### NOTES TO THE FINANCIAL STATEMENTS

at 31 December, 1998

(in Sterling Pounds)

#### 7. TANGIBLE ASSETS (Cont.)

Had no revaluation taken place the comparative historical cost position of total assets as at 31 December, 1998 would have been as follows :

	Cost or Valuation STG£	Historical Cost STG£
Cost	15.728.351	13.674.348
Depreciation	(8.417.422)	(8.658.112)
Net book amount	<u>7.310.929</u>	<u>5.016.236</u>

Included in tangible assets above :

- (a) land which is not depreciated of STG£2.115.573 at 31 December 1998 (1997 : STG£2.018.306)
- (b) freehold land, buildings and other assets which are in territories occupied by Turkish forces following the invasion of Cyprus in July, 1974.

The ultimate effect of occupation on the value of these assets is unknown.

	Cost STG£	Depreciation STG£	Net STG£
At 31 December 1998	<u>310.386</u>	<u>304.367</u>	<u>6.019</u>
At 31 December 1997	<u>296.115</u>	<u>290.374</u>	<u>5.741</u>

#### 8. FIXED ASSETS - INVESTMENTS

	Shares in Subsidiary Undertaking STG£	Investment in Joint Venture STG£	Total STG£
<b>Cost</b>			
At 1 January 1998	410.759	-	410.759
Exchange adjustments	19.795	-	19.795
Additions	-	1.990.632	1.990.632
At 31 December 1998	<u>430.554</u>	<u>1.990.632</u>	<u>2.421.186</u>

£24

## BP Cyprus Limited

### NOTES TO THE FINANCIAL STATEMENTS

at 31 December, 1998

(in Sterling Pounds)

#### 8. FIXED ASSETS - INVESTMENTS (Cont.)

Details of the investment in the subsidiary undertaking, which is unlisted, are as follows :

	No of Founders Shares	No of Ordinary Shares	STG£1	% of Ordinary Shares	Country of Incorporation	Principle Activities
Superlube Ltd	510	356.850		65	Cyprus	Blending of lubricating oils

Details of the investment in the joint venture are as follows :

	Participation % in Capital	Country of Incorporation	Principle Activities
S.D.S. Oils J.V. (Partnership)	70%	Cyprus	Purchase, supply and distribution of fuels and provision of administrative services to the joint venturers

The amount of the investment in the joint venture represents the participation of the company in financing the partnership's stocks, hence the reduction of the stocks balance, as shown in note 9.

In the opinion of the directors, the value of shares in the company's subsidiary and the investment in joint venture is not less than the amounts at which they are shown in the balance sheet.

#### 9. STOCKS

	1998 STG£	1997 STG£
Petroleum	877.940	4.077.236
Stores	26.345	38.308
	<u>904.285</u>	<u>4.115.544</u>

The difference between the carrying value of stocks and their replacement cost is not material.

#### 10. DEBTORS

	1998 STG£	1997 STG£
Trade	3.077.482	1.545.262
Subsidiary undertaking	413.673	-
Prepayments and accrued income	161.227	200.653
Other	510.611	1.179.969
	<u>4.162.993</u>	<u>2.925.884</u>

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## BP Cyprus Limited

### NOTES TO THE FINANCIAL STATEMENTS at 31 December, 1998 (in Sterling Pounds)

#### 11. FINANCE DEBT

	1998 STG£	1997 STG£
Bank loans and overdrafts	539.094	441.560
Other loans	1.810.296	1.716.555
	<u>2.349.390</u>	<u>2.158.115</u>

The above bank loans and overdrafts and other loans are repayable within one year.

#### 12. OTHER CREDITORS

	1998 STG£	1997 STG£
Trade	-	3.629.192
Subsidiary undertaking	-	418
Parent and fellow subsidiary undertakings	1.502.587	1.729.864
Joint venture trading account	1.129.518	-
Overseas taxation on profits	431.733	136.110
Accruals and deferred income	123.082	287.278
Other	3.880.271	1.210.331
	<u>7.067.191</u>	<u>6.993.193</u>

#### 13. OPERATING LEASE COMMITMENTS

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

	1998 Land and Buildings STG£	1998 Other STG£	1997 Land and Buildings STG£	1997 Other STG£
Expiring :				
Within 1 year	33.865	-	7.215	3.483
Between 2 to 5 years	218.251	-	221.909	-
Thereafter	291.249	-	232.689	-
	<u>543.365</u>	<u>-</u>	<u>461.813</u>	<u>3.483</u>



## BP Cyprus Limited

### NOTES TO THE FINANCIAL STATEMENTS

at 31 December, 1998

(in Sterling Pounds)

#### 14. CALLED UP SHARE CAPITAL

	1998 STG£	1997 STG£
Authorised, allotted, called up and fully paid : 443.345 Ordinary Shares of Stg£10 each	4.433.450	4.433.450

#### 15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital STG£	Revaluation Reserve STG£	Other Reserves STG£	Profit & Loss Account STG£	Total STG£
At 1 January 1997	4.433.450	219.420	931.444	4.097.841	9.682.155
Profit for the year	-	-	-	2.433.265	2.433.265
Currency translation differences	-	-	-	(846.784)	(846.784)
Dividend paid	-	-	-	(2.403.194)	(2.403.194)
At 1 January 1998	4.433.450	219.420	931.444	3.281.128	8.865.442
Profit for the year	-	-	-	1.488.142	1.488.142
Currency translation differences	-	-	-	472.282	472.282
Dividend paid	-	-	-	(2.433.265)	(2.433.265)
At 31 December 1998	4.433.450	219.420	931.444	2.808.287	8.392.601

Other Reserves include Special Reserve of STG£490.259 (1997 : STG£490.259) and General Reserve of STG£441.185 (1997 : STG£441.185).

The company's distributable reserves as at 31 December, 1998 amount to STG£3.739.731 (1997 : STG£4.212.572).

#### 16. CAPITAL COMMITMENTS

Authorised future capital expenditure is estimated at STG£759.036 (1997 : STG£729.885).

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## **BP Cyprus Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**at 31 December, 1998**

**(in Sterling Pounds)**

#### **17. CONTINGENT LIABILITIES**

On the basis of the Petroleum Bulk Transport agreement which was terminated mid 1992, the contractors K & M (Transport) Co Ltd advanced various claims against the Company. The claims are denied and rejected by the Company.

On the basis of the new Petroleum Bulk Transport agreement, the contractors, CYPOIL WHEEL Ltd, advanced various claims against the Company. No provision has been made in the financial statements since, based on legal advice, the company has strong defences and the directors will firmly resist the claims. In their opinion the outcome will not have a material effect on the Company.

#### **18. PENSIONS AND OTHER RETIREMENT BENEFITS**

The company contributes to staff schemes in respect of its operations in Cyprus, which are of an overall defined benefit type. The charge to the profit and loss account for the year is STG£251.445 (1997 : STG£226.061).

#### **19. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption contained within FRS 8, and has not disclosed transactions with group companies. There were no other related party transactions in the year.

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