

**BP OIL INTERNATIONAL LIMITED**

(Registered No. 322365 )

**ANNUAL REPORT AND ACCOUNTS 1996**

Board of Directors: Dr R W H Stomberg  
D H W Payne  
Dr P R Vaight

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**REPORT OF THE DIRECTORS**

The directors present their report and accounts for the year ended 31 December 1996.

**Principal activity**

The company acts as agent for BP International Limited in the acquisition, transportation, processing and marketing of crude oil and petroleum products.

In relation to the futures and options contracts of the International Petroleum Exchange which are registered and cleared by the London Clearing House, it acts in the capacity of principal.

**Results**

The profit for the year after taxation of £516,141 and a dividend of £500,000, when added to the retained profit brought forward at 1 January 1996 of £960,641 gives a total retained profit carried forward at 31 December 1996 of £976,782.

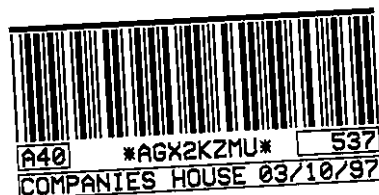
**Directors**

Dr R W H Stomberg and Mr D H W Payne served as directors of the company throughout the financial year. Mr W J Luff resigned as a director on 30 June 1996. Dr P R Vaight was appointed on 1 September 1996.

**Directors' interests**

The interests of the directors holding office on 31 December 1996, other than a director of the ultimate parent undertaking, and their families, in the 25p ordinary shares of The British Petroleum Company p.l.c. were as set out below:

	<u>31 December 1996</u>	<u>1 January 1996 or</u> <u>date of appointment</u>
D H W Payne	12,575	19,250
P R Vaight	18,047	17,096



**BP OIL INTERNATIONAL LIMITED**

**REPORT OF THE DIRECTORS**

**Directors' interests (continued)**

No rights to subscribe for 25p ordinary shares in The British Petroleum Company p.l.c. were granted to, or exercised by, those directors between 1 January or date of appointment and 31 December 1996.

No director had any interest in the shares or debentures of subsidiary undertakings of The British Petroleum Company p.l.c. at 31 December 1996.

**Policy with respect of 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.

**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



A.M. THOMAS  
Secretary

Registered Office  
Britannic House  
1 Finsbury Circus  
London EC2M 7BA

15 September 1997

## **BP OIL INTERNATIONAL 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 to 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 adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

**BP OIL INTERNATIONAL LIMITED**  
**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**BP OIL INTERNATIONAL LIMITED**

We have audited the accounts on pages 5 to 11, 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 1996 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Kern & Young*  
Chartered Accountants  
Registered Auditor  
London

*15 September* 1997

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## **BP OIL INTERNATIONAL 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 (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 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**

Transactions in currencies other than sterling are recorded at the rate ruling at the date of the transaction. Assets and liabilities in currencies other than sterling are translated into sterling at the closing rate of exchange. All exchange gains and losses on settlements or transactions at closing rates of exchange of monetary assets and liabilities are included in the determination of profit/loss for the year.

#### **Deferred taxation**

Deferred taxation is calculated using the liability method. Provision is made or recovery anticipated where timing differences are expected to reverse in the foreseeable future.

**BP OIL INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996**

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
<b>Turnover</b>	1	45,373,208	50,871,956
Administration expenses		44,855,064	50,347,125
<b>Profit before taxation</b>	2	518,144	524,831
Taxation	5	2,003	6,474
<b>Profit for the year</b>		516,141	518,357
Dividends	3	500,000	500,000
<b>Retained profit for the year</b>		16,141	18,357

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

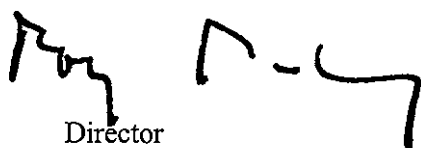
There are no recognised gains or losses attributable to the shareholders of the company other than the profit of £516,141 for the year ended 31 December 1996. (1995 profit of £518,357).



**BP OIL INTERNATIONAL LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1996**

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
<b>Fixed assets</b>			
Investments	6	312,191	14,572
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	7	10,671,282	10,950,757
<b>Creditors - amounts falling due within one year</b>	8	6,691	4,688
		<hr/>	<hr/>
<b>Net current assets</b>		10,644,591	10,946,069
		<hr/>	<hr/>
<b>SHAREHOLDERS' INTEREST</b>		10,976,782	10,960,641
		<hr/> <hr/>	<hr/> <hr/>
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	9	10,000,000	10,000,000
Profit & loss account	10	976,782	960,641
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS- EQUITY INTERESTS</b>		10,976,782	10,960,641
		<hr/> <hr/>	<hr/> <hr/>

  
Director

15 September 1997



**BP OIL INTERNATIONAL LIMITED****NOTES TO THE ACCOUNTS****1. Turnover**

Turnover, which is stated net of value added tax, represents reimbursed costs and an agency fee.

**2. Profit before taxation**

This is stated after charging/(crediting):

	<u>1996</u> £	<u>1995</u> £
Auditor's remuneration:		
Audit fees - current year	1,900	1,900
- over provision from prior period	(10)	(94)
	<u>          </u>	<u>          </u>

**3. Distribution to shareholders**

	<u>1996</u> £	<u>1995</u> £
Ordinary - interim proposed	500,000	500,000
	<u>          </u>	<u>          </u>

**4. Directors and employees**

Remuneration of directors

None of the directors received any fees or remuneration from the company during the financial year (1995 £Nil).

**5. Taxation**

	<u>1996</u> £	<u>1995</u> £
United Kingdom Corporation Tax :		
Current at 33% (1995 33%)	2,003	2,788
Overseas Taxation Relief	(2,003)	(2,788)
	<u>          </u> Nil	<u>          </u> Nil
Overseas Tax (WHT 10%)	<u>          </u> 2,003	<u>          </u> 6,474

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 for corporation tax has been made in the accounts of this company. The group's current corporation tax liability has been provided in the accounts of BP International Limited, its parent undertaking.

No provision for deferred taxation is required



# **BP OIL INTERNATIONAL LIMITED**

## **NOTES TO THE ACCOUNTS**

### 6. **Fixed assets - investments**

	<u>Associated undertaking shares</u>	<u>Total</u>
<b>Cost</b>		
As at 1 January and 31 December 1996 *	14,572	14,572
Purchase of Member Share of London Clearing House	297,619	297,619
	<hr/>	<hr/>
	312,191	312,191
	<hr/>	<hr/>

\* The investment in the associated undertaking is unlisted as at 31 December 1996.

In the opinion of the directors, the value of the shares in the company's associated undertaking is not less than the amount at which this is shown in the balance sheet.

The associated undertaking of the company at 31 December 1996 and the percentage of equity capital held is set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

	<u>%</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Issued share capital</u>
Routex BV	20	Netherlands	Holding Company	30 shares of D Fl

### 7. **Debtors**

	<u>1996 £</u>	<u>1995 £</u>
Parent & fellow subsidiary undertakings	9,013,282	10,950,757
Other debtors	1,658,000	—
	<hr/>	<hr/>
	10,671,282	10,950,757
	<hr/>	<hr/>

Included in amounts due from parent and fellow subsidiary undertakings is a dividend payable of £500,000 (1995 £500,000). Other debtors represent a contribution to the London Clearing House Members Default Fund.

### 8. **Creditors - amounts falling due within one year**

	<u>1996 £</u>	<u>1995 £</u>
Other	1,900	1,900
Overseas Taxation	4,791	2,788
	<hr/>	<hr/>
	6,691	4,688
	<hr/>	<hr/>

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**BP OIL INTERNATIONAL LIMITED**

**NOTES TO THE ACCOUNTS**

**9. Called up share capital**

	<u>1996</u> £	<u>1995</u> £
Authorised, allotted and fully paid: 10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
	<u>          </u>	<u>          </u>

**10. Reconciliation of shareholders' funds and movements on reserves**

	<u>Equity share</u> <u>capital</u> £	<u>Profit &amp; loss</u> <u>account</u> £	<u>Total</u> £
At 1 January 1995	10,000,000	942,284	10,942,284
Profit for the year	-	518,357	518,357
Distributed to shareholders	-	(500,000)	(500,000)
	<u>          </u>	<u>          </u>	<u>          </u>
At 1 January 1996	10,000,000	960,641	10,960,641
Profit for the year	-	516,141	516,141
Distributed to shareholders	-	(500,000)	(500,000)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 1996	10,000,000	976,782	10,976,782
	<u>          </u>	<u>          </u>	<u>          </u>

**11. Related party transactions**

The company has taken advantage of the exemptions contained within FRS 8, and does not disclose transaction with group companies.

**12. Pensions**

The company does not directly employ any staff and therefore does not directly bear any pension charge.

**13. Deutsche Bank AG - Guarantee**

On 31st October 1997, the company will be issued a counter-indemnity in favour of Deutsche Bank AG, relating to a guarantee given by the Bank to The London Clearing House for \$65m to cover the company's financial obligations to the LCH for Initial Margins for open contracts. This indemnity will replace an indemnity of \$50m given by the company in January 1996.

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**BP OIL INTERNATIONAL LIMITED**

**NOTES TO THE ACCOUNTS**

**14. 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.

