

BP GAS MARKETING LIMITED

ANNUAL REPORT AND ACCOUNTS 1994

(Registered in England and Wales No 908982)



BP GAS MARKETING LIMITED
(Registered in England and Wales No 908982)

ANNUAL REPORT AND ACCOUNTS 1994

Board of Directors: G D Bourne
S Weston

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activities during the year were the purchase from a fellow subsidiary undertaking of equity gas from Bruce field and subsequent resale to a third party.

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

RESULTS AND DIVIDENDS

The loss for the year amounts to £1,198,000. No dividend is recommended and this loss is therefore taken to reserves.

DIRECTORS AND THEIR INTERESTS

The present directors are listed above. Mr T J Bramley and Mr R D Morris, who served as directors during 1994, resigned on 1 January 1995 on which date Mr G D Bourne and Mr S Weston were appointed.

The interests (as defined in the Companies Act 1985) of the directors holding office at 31 December 1994 in the share capital of The British Petroleum Company p.l.c. ('BP') are shown below:

	<u>31 December 1994</u>	<u>1 January 1994 or date of appointment</u>
<u>Ordinary shares of 25p each</u>		
T J Bramley	12,270	11,451
R D Morris	4,587	3,526

In addition, the BP Group operates certain share option schemes for employees (including executive directors). Through these, options were granted to or exercised by the following directors during the year:-

	<u>Granted</u>	<u>Exercised</u>
T J Bramley	Nil	Nil
R D Morris	12,000	Nil

BP GAS MARKETING LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS AND THEIR INTERESTS (continued)

Other than as set out above, none of the present directors had any interest in shares or debentures of the company or of any of its subsidiary companies or of any other company in the BP Group at the relevant dates.

All of the interests reported are beneficial.

None of the directors had any interest in contracts which are required to be disclosed under the Companies Act 1985.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the ultimate parent undertaking purchased and maintained liability insurance for its directors and officers, as permitted by section 310(3) of the Companies Act 1985.

AUDITORS

In accordance with section 386 of the Companies Act 1985, the company has dispensed with the obligation to re-appoint auditors annually. Accordingly, Ernst & Young will continue in office as auditors, having expressed their willingness to do so.

By order of the Board



R C Cumming
Secretary
3 July 1995

Registered Office
Britannic House
1 Finsbury Circus
LONDON
EC2M 7BA

BP GAS MARKETING 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 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 and, as they have 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 company's accounts.

BP GAS MARKETING LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF BP GAS MARKETING 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 7.

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.

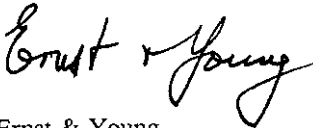
Basis of opinion

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 1994 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
Chartered Accountants
Registered Auditor
ABERDEEN
3 July 1995

BP GAS MARKETING LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>Note</u>	<u>1994</u> <u>£'000</u>	<u>1993</u> <u>£'000</u>
Turnover	2	16,654	3,871
Cost of sales	3	(17,852)	(3,783)
(Loss)/profit before taxation		----- (1,198)	----- 88
Taxation	4	----- -	----- -
(Loss)/profit retained for the year		----- (1,198) =====	----- 88 =====

There are no recognised gains or losses other than the loss for the year.

BP GAS MARKETING LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	<u>Note</u>	<u>1994</u> <u>£'000</u>	<u>1993</u> <u>£'000</u>
Current assets			
Debtors - amounts falling due:			
Within one year	5	24,226	5,572
Creditors - amounts falling due			
within one year:			
Other creditors	6	(23,461)	(3,609)
		-----	-----
Net current assets		765	1,963
		=====	=====
Capital and reserves			
Called up share capital	7	1,000	1,000
Share premium account	8	552	552
Profit and loss account	8	(787)	411
		-----	-----
	9	765	1,963
		=====	=====



G.D. Bourne,

Director

3 July 1995

BP GAS MARKETING LIMITED

NOTES TO THE ACCOUNTS

1. Accounting policies

(a) Accounting convention

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

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.

(b) 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 and petroleum revenue tax. Provision is made or recovery anticipated where timing differences are expected to reverse in the foreseeable future.

2. Turnover

	1994	1993
	<u>£'000</u>	<u>£'000</u>
Dry gas	16,654	3,871

Turnover represents the selling value of petroleum purchased for resale, an activity which is continuing, net of value added tax where applicable. The country of origin and destination is substantially the UK.

3. Cost of sales

	1994	1993
	<u>£'000</u>	<u>£'000</u>
Purchases	15,110	3,178
Operating expenditure	2,742	605
	17,852	3,783

4. Taxation

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. No corporation tax liability arises owing to the availability of group relief.

No provision for deferred taxation is required.

5. Debtors

	1994	1993
	Within	Within
	1 year	1 year
	<u>£'000</u>	<u>£'000</u>
Trade	2,072	1,500
Amounts owed by fellow subsidiary undertakings	22,154	4,072
	24,226	5,572

BP GAS MARKETING LIMITED

NOTES TO THE ACCOUNTS (continued)

6. Other creditors

	1994	1993
	Within	Within
	1 Year	1 Year
	<u>£'000</u>	<u>£'000</u>
Trade	953	431
Amounts owed to fellow subsidiary undertakings	22,508	3,178
	<u>23,461</u>	<u>3,609</u>

7. Called up share capital

	1994	1993
	<u>£'000</u>	<u>£'000</u>
Authorised:		
12,500,000 ordinary shares of 10p each	<u>1,250</u>	<u>1,250</u>
Issued and fully paid:		
10,000,000 ordinary shares of 10p each	<u>1,000</u>	<u>1,000</u>

8. Reconciliation of movement in shareholders' funds

	Share Capital £'000	Share Premium £'000	Reserves £'000	Total £'000
At 1 January 1993	1,000	552	323	1,875
Profit for the year	-	-	88	88
	<u>1,000</u>	<u>552</u>	<u>411</u>	<u>1,963</u>
At 1 January 1994	1,000	552	411	1,963
Loss for the year	-	-	(1,198)	(1,198)
	<u>1,000</u>	<u>552</u>	<u>(787)</u>	<u>765</u>
At 31 December 1994	1,000	552	(787)	765

9. Reconciliation of movements in shareholders' interest

	1994	1993
	<u>£'000</u>	<u>£'000</u>
(Loss)/profit for the year	<u>(1,198)</u>	<u>88</u>
Net (decrease)/increase in shareholders' interest	<u>(1,198)</u>	<u>88</u>
Shareholders' interest at 1 January	<u>1,963</u>	<u>1,875</u>
Shareholders' interest at 31 December	<u>765</u>	<u>1,963</u>

Handwritten signature

BP GAS MARKETING LIMITED

NOTES TO THE ACCOUNTS (continued)

10. Emoluments of directors and auditors' remuneration

The directors, who received no fees or remuneration from the company, are senior executives of BP in whose accounts information required by the Companies Act 1985 as to emoluments is shown.

Auditors' remuneration is borne by BP Exploration Operating Company Limited, the company's immediate parent undertaking.

11. 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. which is incorporated in the UK and registered in England. Copies of The British Petroleum Company p.l.c.'s accounts may be obtained from Investor Relations, BP Finance, Britannic House, 1 Finsbury Circus, London EC2M 7BA. References in these accounts to BP group undertakings mean the subsidiary undertakings of The British Petroleum Company p.l.c..