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**BP MARINE LIMITED**  
(Registered No. 1214291)

**ANNUAL REPORT AND ACCOUNTS 1997**

Board of Directors:     D Coleman  
                                   A T H Considine



**REPORT OF THE DIRECTORS**

The directors present their report and accounts for the year ended 31 December 1997.

**Principal activity**

The company is engaged in the contracting of international marine business on behalf of the BP group.

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

**Results**

The loss after taxation for the year of US\$ 209,706, when added to the retained deficit brought forward at 1 January 1997 of US\$ 13,217,794, gives a total retained deficit carried forward at 31 December 1997 of US\$ 13,427,500.

**Directors**

Mr P T Davis and Mr D Coleman served as directors of the company throughout the financial year. Mr A T H Considine was appointed as a director on 1 December 1997 and Mr P T Davis resigned as a director on 22 January 1998.

**Directors' interests**

The interests of the directors holding office on 31 December 1997, and their families, in the 25p ordinary shares of The British Petroleum Company p.l.c. were as follows:

	<u>31 December 1997</u>	<u>1 January 1997 or on date of appointment</u>
D Coleman	13,555	8,473
P T Davis	12,286	12,951
A T H Considine	4,900	4,900

In addition, 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 and 31 December 1997 as follows:

	<u>Granted</u>	<u>Exercised</u>
D Coleman	1,432	4,368
P T Davis	Nil	Nil
A T H Considine	Nil	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 1997.

**BP MARINE LIMITED**

**REPORT OF THE DIRECTORS**

**Policy and practice 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 may be obtained from the CBI.

The number of days purchases represented by trade creditors at the year end was 32 days.

**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

2 October 1998

## **BP MARINE 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 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 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 MARINE LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS OF BP MARINE 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 1997 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Emt & Y-7

Registered Auditor

London

2 October

1998

**BP MARINE LIMITED**  
**ACCOUNTING POLICIES**

**Accounting convention**

The accounts are prepared under the historical cost convention on a going concern basis as the directors have been advised by the immediate parent undertaking that adequate finance will be available to the company to meet its financial obligations as they fall due.

The accounts are prepared in accordance with applicable UK accounting standards.

The accounts are prepared in U.S. dollars which is the primary currency of operation.

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.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than US dollars are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**Depreciation**

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

	Freehold property	Plant & machinery	Computer equipment
Depreciation rates per annum	12.5%	33%	25%-50%

**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 MARINE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997**

	<u>Note</u>	<u>1997</u> \$	<u>1996</u> \$
Turnover	1	31,381,361	27,777,946
Administration expenses		31,593,251	29,258,084
Operating loss		(211,890)	(1,480,138)
Other income	2	2,184	12,624
Loss on ordinary activities before taxation	3	(209,706)	(1,467,514)
Taxation	4	-	-
Retained loss for the financial year		(209,706)	(1,467,514)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**

There are no recognised gains or losses attributable to the shareholders of the company other than the loss of US\$ 209,706 for the year ended 31 December 1997 (1996 loss of US\$ 1,467,514).

**BP MARINE LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1997**

	<u>Note</u>	<u>1997</u> \$	<u>1996</u> \$
<b>Fixed assets</b>			
Tangible assets	6	438,680	428,538
<b>Current assets</b>			
Debtors	7	88,049,709	82,158,105
Cash at bank and in hand		543,839	112,462
		<hr/>	<hr/>
		88,593,548	82,270,567
<b>Creditors - amounts falling due within one year</b>	8	(102,459,541)	(95,916,712)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(13,865,993)	(13,646,145)
		<hr/>	<hr/>
<b>EXCESS OF LIABILITIES OVER ASSETS</b>		(13,427,313)	(13,217,607)
		<hr/> <hr/>	<hr/> <hr/>
<b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	9	187	187
Reserves	10	(13,427,500)	(13,217,794)
		<hr/>	<hr/>
<b>SHARHOLDERS' FUNDS - EQUITY</b>		(13,427,313)	(13,217,607)
<b>INTERESTS</b>		<hr/> <hr/>	<hr/> <hr/>

Director

1998



2 October

**BP MARINE LIMITED**

**NOTES TO THE ACCOUNTS**

1. **Turnover**

Turnover represents reimbursed costs and a service fee. All turnover arose as a result of reimbursement for services provided and costs incurred in the U.K.

2. **Other income**

	<u>1997</u> \$	<u>1996</u> \$
Interest received from trade debtors	2,184	12,624
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3. **Loss before taxation**

This is stated after charging:

	<u>1997</u> \$	<u>1996</u> \$
Depreciation of owned fixed assets	242,426	201,996
Auditors' remuneration		
Audit fees - current year	45,554	42,546
Non-audit fees - current year	9,600	-
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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.



**BP MARINE LIMITED**

**NOTES TO THE ACCOUNTS**

**5. Directors and employees**

None of the directors received any fees or remuneration for services as a director of the company during the financial year (1996 \$Nil).

**6. Tangible assets**

	<u>Freehold property</u> \$	<u>Plant &amp; machinery</u> \$	<u>Computer equipment</u> \$	<u>Total</u> \$
<b>Cost</b>				
At 1 January 1997	132,602	612,461	1,380,751	2,125,814
Additions	-	252,568	-	252,568
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	132,602	865,029	1,380,751	2,378,382
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 1997	58,388	293,077	1,345,811	1,697,276
Charge for the year	16,575	210,419	15,432	242,426
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	74,963	503,496	1,361,243	1,939,702
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amount</b>				
At 31 December 1997	57,639	361,533	19,508	438,680
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1996	74,214	319,384	34,940	428,538
	<hr/>	<hr/>	<hr/>	<hr/>

**7. Debtors**

	<u>1997</u> \$	<u>1996</u> \$
Trade debtors	82,734,813	78,861,668
Amounts due from fellow subsidiary undertakings	4,458,964	3,062,202
Prepayments and accrued income	855,932	234,235
	<hr/>	<hr/>
	88,049,709	82,158,105
	<hr/>	<hr/>

**BP MARINE LIMITED**

**NOTES TO THE ACCOUNTS**

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

	<u>1997</u>	<u>1996</u>
	\$	\$
Trade creditors	1,836,389	1,584,342
Amounts owed to fellow subsidiary undertakings	96,722,906	92,057,248
Accruals	3,900,246	2,275,122
	<hr/>	<hr/>
	102,459,541	95,916,712
	<hr/>	<hr/>

**9. Called up share capital**

	<u>1997</u>	<u>1996</u>
	\$	\$
Authorised, allotted, called up and fully paid:		
100 ordinary shares of £1 each		
translated at the 31 December 1991	187	187
exchange rate of US\$1.87 = £1.	<hr/>	<hr/>

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

	<u>Equity share</u>	<u>Profit and loss</u>	<u>Total</u>
	<u>capital</u>	<u>account</u>	<u>\$</u>
	\$	\$	\$
At 1 January 1996	187	(11,750,280)	(11,750,093)
Loss for the year	-	(1,467,514)	(1,467,514)
	<hr/>	<hr/>	<hr/>
At 1 January 1997	187	(13,217,794)	(13,217,607)
Loss for the year	-	(209,706)	(209,706)
	<hr/>	<hr/>	<hr/>
At 31 December 1997	187	(13,427,500)	(13,427,313)
	<hr/>	<hr/>	<hr/>

**11. Pensions**

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

**12. 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.

**BP MARINE LIMITED**

**NOTES TO THE ACCOUNTS**

**13. 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.

BP MARINE LIMITED

1997 statutory accounts

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STATS

1997 Accounts

Please keep this page for updating purposes.

Alex Bucke